Automotive

AUGUST 17, 1992

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late news

Chrysler wants 'Jeep' in Brazil

SAO PAULO, Brazil — Before Chrysler Corp. can sell Jeeps as Jeeps in Brazil, it has to get the name back.

Chrysler has gone to court for rights to use the Jeep trademark. On the other side is Autolatina, the holding company for Ford Motor Co. and Volkswagen AG operations in Brazil. Ford Brasil S.A. acquired the trademark in Brazil in 1967 when it took over Willys Overland de Brasil. Ford continued to manufacture the Willys Jeep until 1983.

Autolatina considers itself heir to the Jeep name in Brazil

see LATE NEWS, 2

GM sees 1,500 fewer points

Plan calls for duals, a shift to suburbs

PHIL FRAME
Staff Reporter

Faced with a projected loss of 1,500 dealerships by the year 2000, General Motors has developed a plan to encourage GM dualing and to move many dealerships out of stagnating central cities into growing suburbs.

A secret plan called Project 2000 calls for dealership mergers, more dualing in cities and rural areas, and relocation from withering markets to growth areas.

Project 2000 is a detailed marketing and market planning strategy that outlines the most desirable size, makeup and location of the company's dealer body going into the next century.

The central idea: Get GM dealerships into the best locations with the best combinations of franchises to reap the greatest possible GM market share.

The study found that only about 7,200 GM points are likely to survive until the year 2000 because of competitive pressures and demographic changes, said a GM source.

The *Automotive News* dealer census, based on figures from the company, counted 8,732 GM dealerships as of July 1, down 191 from a year earlier.

Current and former GM employees and GM dealers who have met with the company's dealer network planning officials say dealer survival strategies include:

- More metropolitan area duals.
- Emphasis on multi-franchise GM points in less populous areas.
- Relocation of dealerships, mostly from cities to suburbs, to follow the population.
- Dealership mergers.

The head of Project 2000 is Edward Roggenkamp III, 48, executive director in charge of dealer network development for GM's North American Operations. Roggenkamp, through a GM spokesman, declined several requests to be interviewed.

Roggenkamp: heads project

Project 2000 determined that the ideal dual of GM makes was Pontiac-Buick. Other allowable duals are Oldsmobile-Cadillac, Oldsmobile-Chevrolet and Pontiac-Oldsmobile. GMC Truck could be added to any but the Olds-Chevy combination.

Buick and Oldsmobile duals would be forbidden because their products and customer base are too similar. Only Oldsmobile could dual with Chevrolet.

At least for now, no fund is available to help threatened dealers move or expand to accommodate other points. But GM may relax lending rules so GM's Motors Holding Division and General Motors Acceptance Corp. can do more.

GM officials will encourage some single-point dealers to merge with other GM dealers.

Historically, GM branch offices have vehemently opposed mergers but that policy has loosened in the past five years. In fact, the policy may turn to aggressively favoring mergers.

In small towns where only two GM points are justified, GM will suggest combining Pontiac-Buick-GMC Truck and Chevrolet-Olds-mobile-Cadillac.

In a three-dealer town, the combinations would be a Chevrolet

see DEALERS, 3

Trade pact sets off era of opportunity

MAX GATES
Staff Reporter

WASHINGTON — U.S. automakers applauded, Japanese automakers fretted, suppliers cheered and union leaders jeered after a historic handshake last Wednesday.

U.S., Canadian and Mexican negotiators agreed to create the largest trading bloc in the world: 360 million people making up a total market of $6 trillion in Canada, Mexico and the United States.

About 7,000 individual tariffs, duties and non-tariff barriers to trade will be eliminated over the next 10 to 15 years. Among them

are Mexican barriers that have limited auto imports into a market that has seen four straight years of double-digit sales increases and is bound to produce a record 1 million units this year.

But the future is more promising. Mexico has about 75 cars for every 1,000 people — far below the United States' 575. And with Mexico's economic house apparently in order, demand for cars can only grow with free trade.

"After 20 years of stagnation, we are hungry," Volkswagen de Mexico President Martin Josephi said earlier this year.

Under the deal, rules that require Mexican cars to have 36 percent Mexican value-added content will ease to 29 percent over 10 years. Vehicles built in Mexico, Canada and the United States will have to have 62.5 percent of their parts come from any combination of the three to avoid duties.

The fine print still must be worked out. And legislatures in all three countries must approve the pact. But already the Big 3 are happy about sections that will make it difficult for newcomers — notably, the Japanese — to benefit from Mexico's opening markets, at least immediately. The Big 3, VW and Nissan are Mexico's only automakers.

To qualify for tariff-free shipment across the two borders eight years from now, autos will have to contain at least 62.5 percent North American parts. For the first four years, the domestic content requirement is 50 percent, the same

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FREE TRADE PACT FALLOUT

Carla Hills a tough negotiator ➤ 3
Japanese cry foul ➤ 34
UAW just says no to deal ➤ 35
Suppliers see opportunities ➤ 35

HANS G. LEHMANN/HIDDEN IMAGE

Ford's next minivan bows in the 1994 model year and is built on a version of the Taurus platform. The side windows on this prototype are painted over; it was photographed during hot weather testing.

FORD'S BETTER IDEAS

Cruisin' in the '90s with 5-speed automatic, shared platforms

Second in a series.
KATHY JACKSON
Staff Reporter

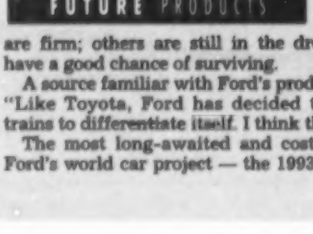
Ford Motor Co. will spend about $30 billion over the next five years to improve its product lineup, with a significant portion of that money going into powertrains.

The spending could yield a five-speed automatic transmission that likely will go into a redesigned Taurus and Sable, set to debut in the 1995 or 1996 model year.

Ford could be the first automaker to introduce the five-speed automatic in the United States.

"We've experimented with the three and four-speed (automatic)," said a Ford official. "We think it's now time to go to the five."

The Ford executive also said that electric vehicle production will play a large role in Ford's plans this decade.



An array of new and improved products will hit Ford and Lincoln-Mercury dealer showrooms between 1993 and 1997.

Some plans are firm; others are still in the dream stage but have a good chance of surviving.

A source familiar with Ford's product plans says: "Like Toyota, Ford has decided to use powertrains to differentiate itself. I think they're right."

The most long-awaited and costly program is Ford's world car project — the 1993 calendar year

see FORD, 36

GM's '93 price strategy: some up, some unchanged, some cut

ARLENA SAWYERS
Staff Reporter

In an effort to remain a viable contender with carryover product in a hotly contested mid-sized market, General Motors is holding prices on some 1993 mid-sized cars.

GM also said it is reducing prices on some slower-selling cars and hiked prices on its most popular models. It is unknown if equipment levels are changed from the 1992 model year. Freight and destination charges are unchanged.

The result is a net increase of 1.6 percent on the 1993 cars priced last week, GM said. Geo cars and some GM truck models have not been priced yet.

Susan Jacobs, president of Jacobs Automotive Inc., a forecasting and consulting firm in Little Falls, N.J., applauded GM. Jacobs said because the economy will continue to be relatively soft into the fourth quarter and GM's mid-sized products are dated compared with their competition, the company i wise to compete on price.

"GM's prices are the best of th Big 3 so far," said Jacobs. "Th actual increases are in the 2 to percent range rather than the 4 to

see GM PRICE, 3

Automotive News

BARE CUPBOARD
Saturn inventory falls to 13-day supply. PAGE 4

EXECS EXIT GM CANADA
Sour dealer relationship leads to job changes. PAGE 6

FORE FOR VOTERS

▲ Harold Poling encourages Ford employees to vote. PAGE 8

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corrections

■ An Aug. 10 story on Page 3 incorrectly reported Chrysler Corp.'s LH models' size. The Chrysler Concorde, Dodge Intrepid and Eagle Vision have a 202-inch overall length. The 1994 Chrysler New Yorker and New Yorker LHS will have a 207-inch overall length. All five have a 113-inch wheelbase.

■ An Aug. 10 story on Page 2 misstated the performance of the 1993 Lincoln Mark VIII. It should have said the car will have more than 280 horsepower.

■ An Aug. 3 story on Page 8 incorrectly referred to Carolyn Forrest as the second woman in the UAW to hold the office of vice president. She is the third woman. Olga Madar was the first, and Odessa Komer the second.

KGP PHOTOGRAPHY

New look for Trans Sport

Pontiac engineers have been spotted testing a front-end redesign for the 1994 Trans Sport minivan. The shortened front overhang design borrows from Bonneville and Grand Am such styling cues as ovoid headlamps and round fog lights mounted low in the front bumper fascia.

latenews

CONTINUED
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and uses it on a version of its Pampa pickups.

Now Chrysler wants the name because it has decided to return to Brazil after a 12-year absence. In the interim, it acquired Jeep when it bought American Motors Corp. in 1987. Chrysler plans to export Dodge and Jeep models to Brazil through distributor Industrias Sao Jorge of Sao Paulo.

Rik Turner

Ford checks 2-stroke result

TECUMSEH, Mich — Ford Motor Co. is testing two-stroke Orbital engines to confirm EPA test results that indicate the engines initially meet California's Ultra Low Emissions Vehicle standards that take effect in 1998.

Peter Simons, president of Orbital Engine Co. USA Inc., said the EPA already has passed an Orbital engine with 4,000 miles under the ULEV standards, but the standards call for engines to last 100,000 miles.

Simons told media his company's engine plant in Tecumseh, Mich., will build approximately 20,000 engines in 1995, but he did not name his customers.

— Jack Keebler

Local approves GM strike

LANSING, Mich. — Members of UAW Local 602 at the General Motors body plant here last week approved a local strike over health, safety, work standards and subcontracting.

According to UAW spokesman Karl Mantyla, regional and international UAW representatives have joined the local's negotiation team. Mantyla said that if the issues are not resolved, the UAW could walk out five days after notifying GM.

The plant supplies the nearby assembly plant which produces the Pontiac Grand Am, Oldsmobile Achieva and Buick Skylark.

— Liz Pinto

Hertz to cut car purchases

PARK RIDGE, N.J. — The Hertz Corp. will cut its new car purchases by one-third in the 1993 model year, company officials said last week.

"This is in line with what Detroit has been doing, which is reducing capacity," said Joe Russo, vice president for government and public affairs.

Ford Motor Co., which owns 49 percent of the largest U.S. rental car company, announced a year ago it would begin cutting sales to fleets, and other makers followed suit.

Russo said Hertz will hold onto its cars for nine months instead of six.

— The Associated Press

Dealer settles Viper lawsuit

PONTIAC, Mich. — A lawsuit over who gets the first 1992 Dodge Viper sports car from Oakland Dodge in Madison Heights, Mich., has been settled out of court.

A prosecuting attorney, Mike Gruskin, will get the Viper for list price, but he will leave it on display at the dealership for six weeks after its arrival. Dealer Hoot McInerney doesn't know when it will arrive.

Gruskin wants to try to resell the car for a profit. He said he had a deal to buy the first car, and McInerney said he didn't.

— The Associated Press

GMAC buys British insurer

DETROIT — Motors Insurance Corp., a unit of GMAC Financial Services, has acquired Car Care Plan Ltd., a British provider of automotive breakdown insurance, for $10 million.

Car Care Plan, based in Leeds, England, has annual revenues of $73.5 million and will provide GMAC with entry into the European market.

"Car Care Plan will provide Motors Insurance Corp. with the foundation to establish a pan-European operation for mechanical breakdown insurance for new and used cars," said Joseph Pero, Motors Insurance president.

— Charles M. Thomas

Labor blamed in Maserati loss

RED BANK, N.J. — De Tomaso Industries Inc. blamed labor problems at its Maserati subsidiary for second-quarter net losses of $19.1 million on sales of $37.2 million, compared with a net loss of $1.9 million on sales of $74.8 million in the second quarter of 1991.

"The labor problems being experienced by our Maserati subsidiary which resulted in curtailed production and lost sales opportunities during the first half of the year, coupled with depressed sales of luxury cars worldwide, produced significant losses from operations," said company president Alejandro De Tomaso.

16 Hummer dealers named

SOUTH BEND, Ind. — AM General Corp. has named the first 16 dealers to sell the Hummer off-road vehicle.

The Hummer is scheduled to go on sale this fall. The company said there will be four body styles: a four-passenger hardtop, four-passenger convertible, four-passenger utility wagon and a two-passenger pickup.

AM General President James Armour said he expects to have 50 dealers nationwide by the end of the year. The first 16 dealers named last week were:

- Farrish Olds-Jeep-Eagle in Fairfax, Va.
- Smyly Autos Inc. in Malden, Mass.
- Ed Schmidt White-GMC Truck in Perrysburg, Ohio
- Naperville Jeep-Eagle in Lisle, Ill.
- C&O Motors Inc. in St Albans, W.Va.
- Boomershine Hummer in Smyrna, Ga.
- William Lehman Isuzu in Miami
- Reeves Imports Motorcars Inc. in Tampa, Fla.
- Hummer of South Texas in San Antonio
- Bell Hummer in Phoenix
- Bob Moore Cadillac in Oklahoma City
- Medved Hummer in Wheat Ridge, Colo.
- Lee Galles Oldsmobile-Hummer in Albuquerque, N.M.
- Central Rockie Hummer in Salt Lake City

briefly

No dice for Stempel guess

General Motors Chairman Robert Stempel says operations in North America have improved $1.2 billion from a year ago, "all due to manufacturing efficiency, cost reduction and the true performance of the team. I see no reason why that wouldn't continue." But he won't make any predictions about GM profitability in the second half because the future is unpredictable. In his words: "It's just like the Monopoly game when you land on the block that says 'Go to Jail.' "

THAT AWFUL WORD — Japanese competition is tough, but if you've spent a lifetime at **General Motors,** another automaker might be at the top of your splutter list. GM Chairman Stempel told a news conference that GM had no deal with **Toyota** to supply a V-8 engine for Toyota's new large T100 pickup truck. Then he noted, "We think we have a decidedly superior product, and we call that our full-sized pickup truck. Our friends across town in Dearborn" (oblique reference) "would tell you they have a decidedly superior product, called an F-" (pause) "**Ford**-something truck," (at last it's out) "and we go head to head on that."

ON THE GRAPEVINE — Parent company **Fuji Heavy Industries Ltd.** has been pruning **Subaru of America Inc.** since buying it out two years ago. "We Southerners have an expression," said Charles F. "Chuck" Worrell, a North Carolina native who became executive vice president in the latest shake-up. "If you're green, you're growing. And if you're ripe, you're rotten."

FAMILY TIES — Why didn't **General Motors'** much talked-about purchasing czar, J. Ignacio Lopez, attend this month's University of Michigan Automotive Management Briefing in Traverse City, Mich., one of the auto supply industry's premier events? Alan Perriton, GM executive director of purchasing, explained: "He is packing his home up with his wife and children to move them from Spain. He believes in the theory that says, 'No success can compensate for failure in the home.' "

BELIEVE IT — Lynn Hickey **Dodge** in Oklahoma City wants the Guinness world record people to add a category for this stunt: Dangling a van with dad inside until son had sold 2,000 vehicles during July. General Manager Wade Hickey said the store planned the event for a year and added 284 staffers to meet customer demand. "My showroom was busy from 7 a.m. to 3 a.m.," he said. Lynn Hickey was suspended 200 feet in the air. Dad dropped a tad with each sale. "Dad was in the air all day long" from July 15-25, Wade Hickey said. "He only got out late at night when all the customers were gone." The final tally: 587 new and 1,421 used vehicles sold.

Dodge dealer's dad dangles dangerously.

Mitsubishi talks Dakota

MARY CONNELLY
and KRISTINE STIVEN BREESE
Staff Reporters

Chrysler Corp. and Mitsubishi Motors Corp. are discussing the potential sale of a Mitsubishi-badged Dodge Dakota in the United States in the 1994 model year.

Talks are very preliminary. The two companies confirm only that they are considering many possibilities for product sharing.

Mitsubishi Motor Sales of America already has one pickup, the compact Mighty Max. Sales in 1991, hampered by a 25 percent tariff, were only 18,247 units. A larger truck, built in North America, should give the company more volume.

If the deal comes to fruition, it would mark the first time that Mitsubishi has sold a Chrysler-built vehicle. On the other side, Chrysler last year sold 69,118 vehicles built by Mitsubishi; that amounts to 4.6 percent of Chrysler's 1991 sales.

Ford Motor Co. builds the Navajo sport-utility for Mazda Motor of America Inc. In the 1994 model year, Mazda's U.S. dealers will retail a version of the Ford Ranger compact pickup.

Asked about the possibility of selling a version of the Dakota, a Mitsubishi Motor Sales spokesman said, "There is no such plan at this time, but considering the 25 percent duty on pickup trucks, it would be smart to keep our options open."

Chrysler introduced the mid-sized Dakota in the 1987 model year, to fit between its Dodge Ram 50 compact and Dodge Ram full-sized trucks.

The mid-sized Dodge Dakota could get a Japanese badge.

Toyota Motor Sales U.S.A. Inc. will be the first Japanese company to sell a truck larger than a compact when it begins selling its T100 pickup in November. The truck is closer to full-sized than mid-sized.

In 1991, Chrysler sold 82,336 Dakotas. The mid-sized truck, now produced only in Warren Mich., will also be produced in Toledo, Ohio, starting next summer. Depending on product mixes at the two plants, that could increase production capacity.

In July, Mitsubishi and Chrysler executives met in Tokyo to discuss future product strategy. Chrysler chairman-designate Robert Eaton and President Robert Lutz attended the sessions.

A Chrysler spokesman said the two partners have discussed "a variety of plans and future alternatives" and that such talks will continue.

Staff Reporter Richard Johnson in Tokyo contributed to this report

Saab forms Japan unit

TOKYO — Saab Automobile AB will establish a subsidiary in Japan before the end of the year, trying to improve its standing in the Japanese market.

Last year, Saab's independent importer, Seibu Motor Sales Co., sold 2,236 units in Japan, a decline of 19.8 percent from 1990. The new company, Saab Japan, will supplement Seibu.

Saab's fellow General Motors Corp. affiliate, Opel, sold just 2,725 units in 1991, and decided to use Yanase & Co., Japan's largest importer, starting in January. Yanase also handles GM models from North America.

– Saab Japan is so far independent from GM Japan.

– Mary Ann Maskery

Truck sales flatten cars in early Aug.

JIM HENRY
Staff Reporter

NEW YORK — Trucks roared through another 10-day period as light-truck sales climbed 25.5 percent. Car sales remained flat.

"Sport-utility sales are through the ceiling. In 22 years, I have absolutely never seen anything like this," said Gary Grim, the owner of Roswell (Ga.) Jeep-Eagle Inc. outside Atlanta.

Grim said 12 Grand Cherokees had just arrived last Friday. "I've got people outside now, bidding against each other," he said, and he has deposits for 85 more.

Industry sales of 267,149 cars and light trucks were 9.0 percent above a disappointing year-ago period. Car sales totaled 158,534, at a daily rate almost exactly equal to last year. Comparisons in this story are based on the daily selling rate, since there were eight selling days Aug. 1-10 this year, and nine days last year.

This year, Big 3 truck sales continue to lead the way. Light trucks accounted for 40.7 percent of early-August unit sales.

"If it weren't for trucks and vans, dealers would really be hurting," said Tom Webb, chief economist for the National Automobile Dealers Association.

Many dealers hurt anyway.

"My business has always been about 50 percent cars and trucks, and it continues to be. Trouble is, I'm not selling enough of either one," said Robert Maguire, president of Bob Maguire Chevrolet, and Saturn of Bordentown (N.J.) He said his Chevrolet sales this year will be below 600 new units, off about 50 percent from 1987.

He said Saturn is doing better by comparison, and he expects to open a second Saturn showroom next March.

GM sales rose 5.3 percent, Ford was up 18.0 percent, and Chrysler Corp. was up an estimated 28.9 percent. *Automotive News* estimates 10-day sales for Chrysler and most imports.

American Honda Motor Co. Inc. was down 6.5 percent, Nissan Motor Corp. in U.S.A. was about even, and Toyota Motor Sales U.S.A. Inc. slid 13.0 percent below a slow year-ago period, even though Lexus sales were up 14.0 percent.

10-DAY CAR AND TRUCK SALES, BY MAKE

	Aug. 1-10, 1992	Aug. 1-10, 1991
ALFA ROMEO (Imp. car)*	40	56
Acura (Imp. car)	2,102	3,001
Domestic car	9,834	12,245
Imported car	4,127	4,084
Honda	13,961	16,329
AMERICAN HONDA	16,063	19,330
ASTON MARTIN		
Imported car*	1	1
BMW (Imp. car)*	1,242	972
Domestic car*	1,827	1,949
Imported car*	0	9
Domestic truck*	112	86
Chrysler Division*	1,939	2,044
Domestic car*	5,144	5,488
Imported car*	478	716
Domestic truck*	12,463	9,695
Imported truck*	85	59
Dodge*	18,171	15,958
Domestic car*	536	571
Imported car*	213	156
Eagle*	749	727
Domestic truck*	4,884	3,745
Jeep*	4,884	3,745
Domestic car*	2,993	3,192
Imported car*	297	313
Domestic truck*	4,661	3,574
Plymouth*	7,950	7,079
Domestic car*	10,499	11,200
Imported car*	988	1,195
Domestic truck*	22,300	17,100
Imported truck*	85	59
CHRYSLER CORP.*	33,872	29,553
Imported car*	68	131
Imported truck*	20	39
DAIHATSU*	88	170
FERRARI (Imp. car)*	16	16
Domestic car	26,819	26,911
Imported car	753	747
Domestic truck	32,643	27,564
Ford Division	60,215	55,222
Domestic car	2,141	4,291
Lincoln	2,141	4,291
Domestic car	8,621	8,181
Imported car	1,515	1,395
Domestic truck	272	0
Mercury	10,138	9,576
Domestic car	37,581	39,383
Imported car	2,268	2,142
Domestic truck	32,643	27,564
FORD	72,492	69,089
Domestic car	9,904	12,022
Buick	9,904	12,022
Domestic car	3,135	3,401
Cadillac	3,135	3,401
Domestic car	20,511	24,048
Imported car	1,691	2,710
Domestic truck	28,902	26,245
Imported truck	0	0
Chevrolet	51,104	53,003
GMC	8,991	7,246
Domestic car	7,032	9,486
Domestic truck	457	677
Oldsmobile	7,489	10,163
Domestic car	8,791	9,319
Imported car	223	1,629
Domestic truck	754	622
Pontiac	9,768	11,570
Domestic car	3,217	1,659
Saturn	3,217	1,659
Domestic car	52,590	59,935
Imported car	1,914	4,339
Domestic truck	38,204	34,790
Imported truck	0	0
GENERAL MOTORS	92,708	99,064
HYUNDAI*†	1,891	2,271
Imported car*	130	164
Domestic truck	1,261	672
Imported truck*	1,637	1,395
ISUZU*	3,027	2,231
JAGUAR (Imp. car)*	91	167
LAMBORGHINI (Imp. car)*	3	3
LAND ROVER Imp. trk*	48	48
LOTUS (Imp. car)*	5	5
MASERATI (Imp. car)*	4	4
Domestic car	1,205	1,114
Imported car*	2,803	2,484
Domestic truck	147	253
Imported truck*	1,798	2,611
MAZDA*	5,952	6,462
MERCEDES-BENZ		
Imported car*	923	952
Domestic car	739	1,814
Imported car*	1,983	1,496
Imported truck*	420	490
MITSUBISHI*	3,143	3,800
Infiniti	843	1,068
Domestic car	3,153	1,704
Imported car*	3,586	6,049
Domestic truck	3,352	2,372
Imported truck*	2,353	3,749
Nissan*	12,444	13,874
NISSAN MOTOR CORP.	13,287	14,962
PEUGEOT (Imp. car)*	4	56
PORSCHE (Imp. car)*	78	81
ROLLS/BENTLEY		
Imported car*	6	9
SAAB (Imp. car)*	442	433
STERLING (Imp. car)*	0	99
Domestic car	951	822
Imported car*	1,495	925
SUBARU*	2,446	1,747
Imported car	110	95
Imported truck	377	275
SUZUKI†	486	370
Lexus (imp. car)	1,481	1,461
Domestic car	6,007	7,391
Imported car	4,570	6,018
Domestic truck	1,127	0
Imported truck	2,828	5,834
Toyota	14,532	19,243
TOYOTA MOTOR SALES	16,013	20,704
Audi (imp. car)*	173	154
Imported car*	1,308	1,658
Imported truck*	15	136
Volkswagen*	1,323	1,794
VWoA*	1,497	1,949
VOLVO*†	1,280	1,153
YUGO (Imp. car)*	9	56
Domestic car	122,509	135,908
Imported car	35,975	42,517
TOTAL CAR	158,534	178,425
Domestic trk.	99,834	82,751
Imported truck	9,582	14,636
TOTAL TRUCK	108,616	97,387
TOTAL CAR & TRK	267,149	275,812

*Estimated †Breakdown of North American built and imported car sales not available.
There were 8 selling days in the period this year and 9 last year.

Saturn's cupboard is stripped bare

INVENTORY TABLE > 37

JIM HENRY
Staff Reporter

Saturn Corp.'s cupboard is bare, cleaned out by growing sales, a two-week shutdown in July and the changeover to the 1993 model year.

The General Motors subsidiary reported a 13-day supply of cars as of Aug. 1, the lowest reported supply in the industry. Some dealers had no cars at all. A month earlier, the supply was 23 days.

"In my 40 years in the car business, I can't remember ever going into a new model year so clean," said Eli Bloom, chairman of Saturn of Long Island City (N.Y.). Bloom is also president of Bloom Pontiac, Long Island City.

"We are down to four or five '92s, including demos, so we are practically out of cars. We've got salesmen driving used cars," Bloom said last week.

He said he's probably lost some sales because of the shortage, but he expected the 1993s within a few days, and most customers seem willing to wait. He said he has orders for "many more than dozens" of 1993 models.

"The dealers are not getting up in arms about this, telling Saturn to ship 'em and worry about 'em later. There are too many car companies that made a living doing that, and they always regret it later," Bloom said.

Michael Lazarus, co-owner of Saturn of Massapequa (N.Y.) and a satellite dealership, said he ran out of Saturn coupes two months ago. He said the last truckload of 1992 models arrived last Wednesday morning, and the first 1993s arrived that afternoon.

He said his two Saturn showrooms sold almost 400 cars in July, but some sales were lost because of the shortage. "I'm pretty pleased. We knew there would be a dry spell in August. Saturn has done what they promised they would do."

In general, automakers seemed to have inventories in hand.

The total industry posted a 62-day supply, exactly even with the previous month. Car stocks were at 58 days, which was the same as July 1, and a little thinner than trucks.

There was a 68-day supply of light trucks, about even with a 69-day supply a month earlier.

Saturn expected many dealers to be receiving their first 1993 models this week, said spokeswoman Necole Merritt. She said Saturn would not rush the model-year changeover, even though dealers are short of cars. "Our focus is on quality, not necessarily numbers," she said.

With a 61-day supply overall, parent company GM was just below the industry average.

GM Chairman Robert Stempel said at a news conference that he was pleased with GM's inventory performance.

"We are keeping our inventories in line. Our production is very balanced, we don't have any overhang, we have a few shortages of a few models, but we think we're appropriate for this marketplace."

He projected 1992 car and light truck sales for the United States "to be around the 13.1 million level."

"None of us sees this market coming back rapidly," said Stempel. "Obviously, this strategy would be at risk if all of a sudden the consumer turned on. But we don't see much opportunity for consumers to change their minds quickly. As you know, it's flat. Consumer sentiment dropped in July, and I think we're appropriate with our inventory."

Cadillac had the fattest inventory of the GM divisions, at 97 days, after its sales fell 23.3 percent in July. Buick pared its stocks to 48 days from 64, with supplies of Regal and LeSabre models cut nearly in half. LeSabre sales jumped 83.1 percent in July.

Sales of the LeSabre, which was redesigned for 1992, are up 44.1 percent for the year to date. Buick spokesman Larry Gustin said the 1992 model year has been the best for LeSabre in eight years. He said LeSabre is the No. 1-selling full-sized car for the model year to date. "And that's retail," he said, "not fleet."

Staff Reporter Phil Frame contributed to this report.

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Internal power struggle splits VW union in Mexico

JOHN WATLING
and TALLI NAUMAN
Special Correspondents

MEXICO CITY — The auto workers union locked out of Volkswagen de Mexico's Puebla plant since late July has been one of the nation's strongest and most combative labor organizations.

Volkswagen de Mexico shut the doors on workers in late July after intra-union squabbles forced the plant to close for several days.

Most immediately, the shutdown creates a shortage of Beetles — Mexico's best-selling car — and the new Golfs and Jettas now on sale in Mexico. For VW's U.S. subsidiary, it threatens the launch of the third-generation Golf and Jetta this fall.

But disputes are not new at the Independent Autoworkers Union.

VW Mexico employees founded the union in 1972, after splitting from the Mexican Workers Confederation. Under the 52-year reign of confederation leader Fidel Velazquez, the confederation has been tightly knit with employers and a pillar of the ruling Institutional Revolutionary Party.

The first head of the VW union, Juan Ortega Arenas, was expelled after a bitter factional fight in 1982. But his legacy plagued the union afterwards. Statutes and practices he developed left the organization with an executive committee hierarchy where officials receive lucrative expense accounts, company cars and other perks. Seventeen contenders sought the secretary general position in union elections late last year.

In a runoff vote, Gaspar Bueno finally defeated Jesus Valencia by 80 votes. But the seed had been planted for another battle during this year's collective bargaining.

The 15,000-member Independent Autoworkers Union called off a 35-hour strike on July 2, when labor leaders announced they had negotiated the conditions they had demanded of Volkswagen. Union officials said the contract called for a 20-percent wage hike, 4 percent benefit increase and concessions from company demands that had spurred the strike in the first place.

The company had wanted more freedom to move workers around between tasks and shifts; more power to hire non-union subcontracting personnel; less union interference in decisions on quality and efficiency improvements; open shop at 40 German supply companies Volkswagen plans to attract to Puebla; and a merit-based pay scale to replace the existing seniority system.

But four days later, the union's executive committee told members it had also signed a separate covenant with Volkswagen to achieve higher productivity through instituting Japanese-style work groups.

On July 20, union members voted to oust Bueno, citing disillusionment with leaders for not informing them about the covenant. Led by Bueno's political rival, Jesus Valencia, they collected 9,000 signatures calling for a change in union leadership. When Bueno refused to step down, employees staged a work stoppage and held a sit-in at the plant gates.

After six days of lost production, Volkswagen locked out workers and called in police. On July 26, the company petitioned the federal labor board to rescind the union contract.

If the company wins, it could sever relations with the union by firing all union workers and rehiring them on company terms. In an effort to end the conflict, Mexican Labor Secretary Arsenio Farell negotiated an accord between Bueno and Valencia to hold a new election for secretary general. But Martin Josephi, president of Volkswagen de Mexico, said the offer would not assure stable labor relations and the company would insist on cancelling the contract.

Valencia's campaign promise to restructure union statutes remained unfulfilled when Valencia rallied supporters against Bueno after the clandestine signing of the work-group covenant.

Gonzalo Texis, president of the union negotiating commission, acknowledged that those who signed the contract and covenant had no formal mandate to do so and that no vote was held to call off the strike.

Texis said commission members simply announced their progress on the contract to strikers at the Volkswagen parking lot on July 2, and after receiving applause, returned to the bargaining table to sign both the contract and the work-group covenant that sparked controversy when it was announced later.

U.S. CAR AND LIGHT-TRUCK SALES PER DEALER

Make	Car	Truck	July Total	June Total
Saturn	123	—	123	137
Toyota	53	22	75	64
Honda	58	—	58	66
Ford	25	26	51	59
Lexus	49	—	49	50
Nissan	27	17	44	49
Chevrolet	21	22	44	50
Mazda	23	14	37	35
Infiniti	36	—	36	51
Mitsubishi	31	5	36	43
Acura	31	—	31	43
Dodge	7	14	22	28
Hyundai	19	—	19	25
Buick	18	—	18	17
BMW	17	—	17	18
Subaru	17	—	17	16
Volvo	16	—	16	22
Pontiac	15	1	16	19
Mercury	15	—	15	15
Oldsmobile	12	1	13	16
Isuzu	1	12	13	18
GMC	—	12	12	14
Mercedes	12	—	12	18
Jeep	—	11	11	15
Plymouth	5	6	11	13
VW	9	1	10	11
Daihatsu	6	3	9	3
Cadillac	7	—	7	12
Saab	7	—	7	12
Lincoln	7	—	7	8
Suzuki	2	4	6	7
Chrysler	4	1	5	5
Jaguar	4	—	4	7
Range Rover	—	3	3	4
Audi	3	—	3	3
Eagle	3	—	3	3
Porsche	2	—	2	2
Alfa Romeo	1	—	1	1

Saturn dealers' sales average still leads pack

KAREN DETKOWSKI
Staff Statistician

Saturn dealerships continue to leave the competition in their wake — but Toyota, the No. 2 ranked automaker in sales per dealer, keeps on showing increases.

The General Motors subsidiary topped the sales-per-dealer calculation for July with an average 123 unit sales at each outlet, down from 137 in June.

July U.S. vehicle sales dropped 11.1 percent from a month earlier, and the decline is reflected in the July sales-per-dealer calculation.

Automotive News sales-per-dealer calculations for July are based on an actual dealer census taken on July 1.

Only five makes showed increases as sales in July fell. Also, of 38 makes, 27 of them lost franchises in the first half of the year.

Toyota's dealer sales increased 11 units in July for each of its 1,190 franchises. The company's sales were up over June by 15.0 percent.

Mazda truck franchises reflected a four-unit increase per dealer in July.

There were 26 selling days in July and June.

The *Automotive News* dealer census reported Aug. 10 that Saturn's dealer network has increased by 48 dealers since Jan. 1.

In addition to Saturn, only nine other franchises increased dealers since the beginning of the year: Eagle, Lexus, Infiniti, Subaru, Mitsubishi, Lincoln, Honda, Hyundai, and Isuzu.

The remaining 27 automakers and importers in the United States lost dealers in the first half.

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St. Louis	4	Oct. 2	Marion, IN	Nov. 11 - 13
Charlotte	3	Oct. 9	Marion, IN	Dec. 9 - 11

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GM Brazil says new Omega is world-class competitor

RIK TURNER
Staff Correspondent

ORLANDO, Fla. — GM do Brasil's upcoming launch of the new Omega marks a sea change for the company.

The car has been been designed and built with modern manufacturing concepts, such as just-in-time delivery. But the project also took into account Brazil's integration into the world economy through the opening of its borders to imports.

The company unveiled the car to the press in Orlando this month, the first time in its 67-year history it has held such an event outside Brazil. GM said it made the move to demonstrate its belief the Brazilian-built Omega can compete with world-class cars.

Vice President Andre Beer said that initially some 25 percent of the value of each vehicle will be imported from Adam Opel AG in Germany, home of the Omega, or from GM in France, which supplies automatic gearboxes.

The company says it wants to produce as much of the car as possible in Brazil. But the main concern now is to have "reliable suppliers, wherever they are," says Jose Eugenio Pinheiro, manager of the Sao Caetano do Sul factory that produces the Omega.

With Brazilian President Fernando Collor progressively opening the country to imports, GM can now pursue a manufacturing strategy that banks on imported parts. That also increases GM's muscle when it negotiates prices with Brazilian suppliers.

Of the $380 million invested over the last 25 months, $250 million went to tooling.

The outlay is part of $1 billion the company plans to invest by 1995 to create what Beer calls "a new cycle of Chevrolet products" in Brazil.

The Omega will be launched Aug. 28th. The company will have 2,000 vehicles distributed around its 420-member dealer network.

The GLS will be fitted with the Brazilian-made, four-cylinder, 2.0-liter engine that powers the Monza sedan. The GLS will sell for under $30,000, Beer said, and compete against other Brazilian-made family sedans such as the Volkswagen Santana, Ford Versailles and Fiat Tempra.

The CD has a six-cylinder, 3.0-liter engine imported from Germany. It will sell for about $45,000 and face off against Japanese luxury imports and smaller BMW and Mercedes models.

"If we imported these two cars, they would retail for around $50,000 and $73,000, respectively," said Beer. Both models will be available initially only in gasoline-powered versions. Alcohol-driven alternatives will arrive a few months later.

Export possibilities include the Southern Cone Common Market (Brazil, Argentina, Uruguay and Paraguay), which comes into existence at the end of 1994. Another strong candidate is Chile, a highly competitive market that's now booming.

Geo line moves away from imports, fleet sales

LINDSAY CHAPPELL
Staff Reporter

Chevrolet's Geo line continues replacing import sales with North American factory output.

Import sales for the General Motors line were down more than 18.2 percent through the end of July, or about 9,300 cars.

At the same time, sales of Canadian-made Geo Trackers and Metros increased by about 18,500. Both were formerly built in Japan, and some Metros still are.

Sales of the Geo Prizm sedan, which also is built in North America, slipped by more than 10,000 units so far this year. Chevrolet is blaming that decline on cutbacks in fleet allocations this year.

Chevrolet channeled many of its nearly 100,000 Prizms last year into daily-rental fleets. An industrywide move away from such sales could cut that number by about a third this year, said a spokesman.

In the 1993 model year, which will see an all-new Prizm, Chevrolet intends to focus more on retail sales and to cut fleet activity as much as possible, a Chevrolet spokesman said. The Prizm is built by GM's 50-50 venture with Toyota Motor Corp. in Fremont, Calif.

Overall, Geo sales were off sharply in July, but only slightly for the year to date. Combined sales of cars and trucks, imported and domestic, totaled 173,975 for the period, a 1.5 percent decline from 176,671 in the first seven months of 1991.

Chevrolet Division was down 4.7 percent for the seven months. The sport-utilities saw a 1,231-unit growth in sales, to 21,020.

Sales of domestically built Metros shot up 44 percent to 56,581 units in the period. Imported Metros, primarily convertibles, increased nearly 27 percent to 9,831 units.

IMPORTED CAR SALES, JULY & YTD

(Domestic cars not included in imported totals.)

	July 1992	July 1991	7 Mos., 1992	7 Mos., 1991
Integra	4,757	5,632	35,538	42,297
Legend	3,212	5,883	27,085	36,600
NSX	99	201	780	1,400
Vigor	1,177	1,712	10,135	4,698
ACURA	**9,245**	**13,428**	**73,538**	**84,995**
Milano	1	1	3	3
Spider	102	126	761	991
164	97	155	1,231	1,370
ALFA ROMEO	**200**	**282**	**1,995**	**2,364**
ASTON MARTIN*	**5**	**5**	**35**	**35**
S4	73	0	175	0
80	71	135	900	1,134
90	104	62	399	732
V8 Quattro	23	16	199	278
Coupe Quattro	1	16	57	195
100/200	435	471	4,940	4,144
100/200 Quattro	159	72	973	533
AUDI	**866**	**772**	**7,643**	**7,016**
3 series	3,852	2,624	21,920	14,098
5 series	1,640	1,618	11,353	10,305
635 CSi	2	0	3	6
7 series	603	482	3,415	2,751
850i	87	96	574	1,130
M3	4	17	66	270
M5	22	22	188	238
BMW	**6,210**	**4,859**	**37,519**	**28,798**
Geo Storm	5,675	9,185	38,215	50,956
Geo Metro (import)	1,027	1,285	9,831	7,747
Geo Metro (domestic)	*9,646*	*5,830*	*56,581*	*39,239*
CHEVROLET/GEO	**6,702**	**10,470**	**48,046**	**58,703**
Colt	1,857	2,739	12,124	16,283
Stealth	1,343	1,663	10,707	11,212
Summit (import)	1,066	781	7,859	4,692
Summit (domestic)	*715*	*743*	*3,935*	*4,258*
Vista	674	745	5,291	4,455
TC	0	46	0	799
CHRYSLER CORP.	**4,940**	**5,974**	**35,981**	**37,441**
DAIHATSU	**340**	**655**	**4,614**	**3,877**
FERRARI*	**80**	**80**	**560**	**560**
FORD Festiva	**2,969**	**2,956**	**20,923**	**22,146**
Civic/CRX (import)	5,744	6,628	37,768	40,895
Civic (domestic)	*12,794*	*17,294*	*82,808*	*85,033*
Accord (import)	2,696	4,150	36,072	47,724
Accord (domestic)	*33,448*	*22,960*	*191,754*	*192,818*
Prelude	3,157	2,395	22,234	14,510
HONDA	**11,597**	**13,173**	**96,074**	**103,129**
Excel	2,862	6,219	24,165	37,573
Sonata	1,960	2,327	9,704	13,092
Scoupe	1,601	2,810	11,185	17,781
Elantra	3,034	0	19,465	0
HYUNDAI*	**9,457**	**11,356**	**64,519**	**68,446**
M30	362	690	3,038	3,396
Q45	827	2,866	6,471	8,925
G20	1,290	1,885	8,365	8,707
J30	1,735	0	6,473	0
INFINITI	**4,214**	**5,441**	**24,347**	**21,030**
I-Mark	0	6	4	80
Impulse	209	179	2,663	2,217
Stylus	440	634	3,505	5,903
ISUZU	**649**	**819**	**6,172**	**8,200**
XJ6	327	607	3,875	3,683
XJS	130	226	1,391	1,492
JAGUAR	**457**	**833**	**5,266**	**5,175**
LAMBORGHINI*	**13**	**13**	**91**	**91**
ES250/300	3,394	1,369	20,805	10,832
LS400	2,526	3,735	17,742	21,012
SC400/300	1,735	1,446	12,877	3,004
LEXUS	**7,655**	**6,550**	**51,424**	**34,848**
LOTUS*	**27**	**27**	**189**	**189**
MASERATI*	**20**	**20**	**140**	**140**
323	1,075	1,440	10,017	11,041
Protege	5,176	5,546	46,503	29,008
626 (import)	22	672	425	9,873
626 (domestic)	*4,261*	*4,005*	*29,600*	*36,266*
MX-6 (import)	10	202	121	1,189
MX-6 (domestic)	*2,495*	*870*	*15,048*	*17,374*
MX-5 Miata	2,608	2,538	16,712	22,890
MX-3	2,741	0	17,179	0
929	1,767	1,246	13,012	8,489
RX-7	614	776	3,746	4,552
MAZDA	**14,013**	**12,428**	**107,715**	**87,042**
190 class	1,050	936	9,880	8,296
300 class	1,807	1,464	14,901	10,308
S class	1,262	1,859	11,413	9,534
SL Coupe/Roadster	444	473	3,071	4,735
Tourist	53	26	328	304
MERCEDES-BENZ	**4,616**	**4,758**	**39,593**	**33,177**
Tracer	4,583	4,510	24,694	26,678
Capri	1,210	2,239	9,056	12,133
MERCURY	**5,793**	**6,749**	**33,750**	**38,811**
Diamante	4,753	2,597	15,794	6,370
Mirage (import)	631	8	4,414	15,168
Mirage (domestic)	*940*	*2,531*	*8,152*	*12,344*
Galant	2,190	2,976	15,112	22,427
Sigma	1	8	3	140
Precis	77	200	753	1,353
3000GT	801	817	6,509	7,661
Expo LRV	788	0	3,353	0
Expo	676	0	5,195	0
Wagon	0	10	5	182
MITSUBISHI	**9,917**	**7,482**	**51,138**	**53,301**
Sentra (import)	2,654	4,086	28,481	15,650
Sentra (domestic)	*11,702*	*11,001*	*69,407*	*72,023*
Pulsar	0	1	0	31
NX	568	1,181	5,053	3,869
Stanza	5,128	7,446	36,939	40,230
Maxima	5,953	12,146	46,151	58,860
240SX/200SX	2,640	3,848	17,114	19,752
300ZX	986	1,237	6,104	8,224
Hawaii	0	301	258	1,403
NISSAN	**17,929**	**30,246**	**140,900**	**148,019**
PEUGEOT	**18**	**279**	**333**	**2,381**
PONTIAC LeMans	**1,010**	**4,170**	**10,084**	**21,738**
944S/Cabriolet	131	132	793	607
911 Carrera 2	193	127	1,110	1,322
911 Turbo	25	46	259	295
911 Carrera 4	20	59	325	443
928S4/GT	21	42	117	177
PORSCHE	**390**	**406**	**2,604**	**2,843**
ROLLS/BENTLEY	**29**	**43**	**224**	**210**
900	362	227	2,496	3,091
900S	463	422	4,878	4,260
900 Turbo	281	212	2,440	2,965
9000S	515	623	3,010	2,636
9000CD	396	405	1,996	1,790
9000 Turbo	174	260	1,093	1,270
Tourist	19	18	88	63
SAAB	**2,210**	**2,167**	**16,001**	**16,070**
STERLING	**0**	**493**	**0**	**1,932**
Legacy (import)	1,071	1,380	6,236	11,754
Legacy (domestic)	*5,016*	*6,063*	*32,542*	*30,222*
Loyale	5,853	2,559	21,980	18,481
XT/XT6	0	10	0	1,027
Justy	313	583	2,304	4,360
SVX	238	0	2,028	0
SUBARU	**7,475**	**4,623**	**32,548**	**35,822**
Swift (import)	548	474	3,499	2,670
Swift (domestic)	*1*	*80*	*110*	*445*
SUZUKI	**548**	**474**	**3,499**	**2,670**
Corolla (import)	2,562	3,614	36,577	37,296
Corolla (domestic)	*20,596*	*16,323*	*89,470*	*74,103*
Paseo	3,298	3,766	23,293	7,864
Tarcel	8,166	9,729	55,607	63,439
Celica	3,548	5,083	24,946	40,763
Supra	100	329	753	2,188
Camry (import)	5,900	4,232	40,575	36,697
Camry (domestic)	*18,067*	*25,951*	*121,298*	*118,840*
Cressida	443	799	2,386	5,876
MR2	465	730	3,735	6,650
TOYOTA	**24,482**	**28,282**	**187,872**	**200,773**
Cabriolet	683	637	5,141	3,764
Corrado	371	185	2,201	3,252
Jetta	2,960	3,619	19,964	23,942
Golf/GTI	763	1,355	6,948	8,672
Passat	1,059	1,536	6,800	9,531
Fox	705	958	5,931	8,529
VOLKSWAGEN	**6,541**	**8,290**	**46,985**	**57,690**
240 series	2,449	1,005	16,077	16,805
700 series	1,152	3,110	10,752	20,139
940 series	2,719	1,560	17,948	7,763
Tourist	79	90	337	315
VOLVO*	**6,399**	**5,765**	**45,114**	**45,822**
YUGO	**0**	**279**	**1,412**	**1,500**
IMPORT TOTAL	**167,016**	**194,649**	**1,198,848**	**1,235,728**

*Estimate * Includes units produced in Canada*

Compiled by Karen Ostlewski

India maker expands horizons in Bangladesh

SADANANDA MUKHERJEE
Special Correspondent

NEW DELHI — Tate Engineering and Locomotive Company Ltd., India's largest manufacturer of commercial vehicles, is now setting up a joint venture in Bangladesh to assemble its trucks.

Telco's collaborator from Bangladesh is Nita Company Private Ltd., which will have a stake of 60 percent equity in the joint venture, valued at 27 million ruppees, or about $900,000.

Telco's collaborator from Bangladesh is Nita Company Private Ltd., which will have a stake of 60 percent equity in the joint venture, valued at 27 million ruppees, or about $900,000.

The company's exports have been rising. In the most recent 12-month report, Telco exported 5,983 vehicles, up 89 percent over the previous year. Telco increased exports to Bangladesh, Malaysia and Sri Lanka and established new markets in Bolivia, Kenya, Malta, Morocco and Mozambique.

The company is exploring markets of some Euro-

to set up a base there. Under the new rules, completely built-up vehicles pay a 95 percent duty, while complete knock-down kits pay 28 percent.

AUCTION DIRECTORY

NOTICE

Due to the Labor Day Holiday Deadline for the Sept. 14 Issue Will be Thursday, Sept. 3

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TRADE

Auto accord key to North America pact

continued from PAGE 1

as under the current U.S.-Canada Free Trade Agreement. It rises to 56 percent after four years.

The deal also spells out a new method for calculating "domestic" content. Individual parts will be traced back to their source to establish their "true" North American content. That should get rid of some of the mystery behind the count and avoid disputes that have scarred the existing U.S.-Canada Free Trade Agreement.

In addition, the auto portion does away with the "roll-up" and "roll-down" system for counting key components. That has skewed the numbers — and created conflict — by allowing companies to count a part as 100 percent domestic even if it contained 49 percent offshore components, and calling a part 100 percent imported even if it had 49 percent local content.

Mexico expects difficult times during the early years of free trade. Its long-protected parts industry could be especially hard hit. But the hope is that foreign investment and increased markets for Mexican products will bring unprecedented prosperity to a nation eager to move from a state-controlled economy to a free market.

For Canadians, the deal means confronting once again a decision between protectionism and international trade.

The 4-year-old U.S.-Canada Free Trade Agreement has been blamed for the country's current recession and high unemployment. Critics say a three-nation treaty will just make things worse.

But Canadian leaders defended the pact, saying it will bring new markets and long-term economic benefits.

THE AUTO DEBATE

The automotive sector was one of the last major pieces of the agreement to be put into place after 14 months of talks. The deal was struck after 14 intense days of top-level negotiations at the Watergate complex in Washington.

As the talks dragged on, U.S. interests worried that U.S. Trade Representative Carla Hills and her team would give away too much.

But there were no signs of a last-minute giveaway.

General Motors Chairman Robert Stempel was happy with the North American content rule.

"In the eleventh hour, I think our negotiators did a spectacular job. They brought Mexico along, moved Canada and the number came out 62.5 (percent)."

But Ford Motor Co. and Chrysler Corp. officials were less enthusiastic. They wanted North American content set at 65 percent, the figure endorsed by the Big 3.

Ford Chairman Harold Poling said 65 percent was necessary "to assure that tariffs are eliminated only for those companies that have made or are willing to make substantial economic commitments in North America."

Chrysler also was disappointed in the percentage, but said the agreement on balance was favorable to the company.

In Japan, the Ministry of International Trade and Industry will ask for a thorough review of the agreement by the secretariat of the General Agreement on Tariffs and Trade. MITI argues the change in local content regulations might violate international tariff rules.

The agreement may also open the door to U.S.-based auto dealers to set up shop or do joint deals with Mexican retailers. Progressive Mexican dealers have been studying the likes of Lexus and Saturn counterparts in hopes of becoming world class once trade doors open.

U.S. parts makers also will gain by enjoying greatly expanded access to Mexican markets. They also stand to pick up more business from Japanese transplants trying to meet the higher North American content requirements.

JOB LOSS FEARS

The three nations have issued a 44-page summary of the agreement, but many details are still to be written before the text is formally submitted to Congress, probably in early September.

Predictions of job losses came from all three countries.

"This deal in its present form will vaporize thousands and thousands more good-paying U.S. jobs," said UAW President Owen Bieber.

Canadian Auto Workers President Basil "Buzz" Hargrove said the three-nation pact will increase his country's job losses in recent years, which he blamed on the U.S.-Canada Free Trade Agreement. "With hundreds of thousands of job losses and the erosion of social programs, the expansion of FTA into the NAFTA will be of no benefit to Canadians."

Pablo Cuellar, an economist with the Monterrey, Mexico, Chamber of Commerce, predicted job losses in his country, at least in the early years of the deal.

"Many Mexican businesses will simply disappear" because they are small and unable to compete, Cuellar told the Associated Press.

U.S. and Canadian labor leaders fear automakers will transfer jobs to Mexico to take advantage of cheaper labor and relatively relaxed environmental protection costs.

But Mexican economist Roberto Salinas-Leon, a free-market advocate currently working at the conservative Heritage Foundation in Washington, argues that Mexican labor isn't all that cheap.

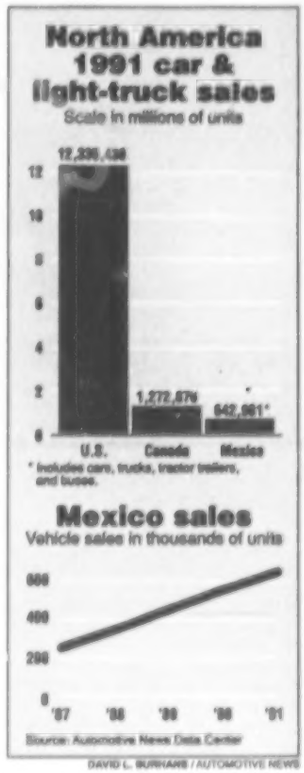
First, wages are bound to rise as Mexicans increasingly share in the profits of an open economy, Salinas-Leon said last week.

But even now, Mexican labor isn't cheap because low productivity more than offsets low wage rates, he said. "So Mexican labor is actually more expensive."

Meanwhile, the first shots have already been fired by Congressional critics of the deal.

They are particularly concerned about environmental protection along the U.S.-Mexican border and funding for worker compensation and retraining for those who lose their jobs under NAFTA.

House Ways and Means Committee Chairman Dan Rostenkowski, D-Ill., has scheduled hearings in early September. EPA Administrator William Reilly and Trade Representative Hills will be key witnesses.



Automotive News staffers Phil Frame in Detroit, Mary Ann Maskery in Tokyo, Jeremy Sinek in Toronto and Lindsay Chappell in Nashville, Tenn., contributed to this report.

Deal is far from done

WASHINGTON — Canada, Mexico and the United States spent 14 months negotiating the North American Free Trade Agreement. Here's what the United States needs to do before the deal can take effect:

- Trade negotiators from the three countries must complete the fine print on a formal legal text. President Bush is expected to submit it to Congress after Labor Day. Hearings have already been scheduled for September.
- Congress has 90 days to vote — but it will be out of session and on the campaign trail most of that time. If a simple majority says yes, Bush could sign the pact as soon as December. Under "fast-track" authority granted by Congress, the deal can't be amended.
- If it is signed, another fight could come early next year. That's when Congress will be required to pass laws to implement the deal. More hearings could be held.
- If Bush is re-elected, Democrats will likely want to spend more than Bush wants to protect Mexico's environment and to compensate and retrain U.S. workers who lose their jobs because of free-trade.

If Bill Clinton wins, his administration would likely commit more funds to those causes. That should make passing the implementing laws easier — if Democrats remain in power in Congress.

- Legislatures in Canada and Mexico also must approve the deal.

— *Max Gates*

Pact changes CAFE content game

LINDSAY CHAPPELL
Staff Reporter

The new free-trade accord will permit automakers to count Mexican-made parts as "domestic content" and gives new flexibility for meeting U.S. corporate average fuel economy standards.

EPA rules require producers to classify cars as either domestic or import depending on whether they have 75 percent or more U.S. and Canadian content. Both fleets must average at least 27.5 mpg.

The EPA's definition of "content" is more liberal than the one used to determine duty-free trade. But in EPA's eyes, Ford Motor Co.'s Mexican-built Tracers have enough U.S. and Canadian content to qualify as "domestic."

Conversely, Ford uses enough "non-domestic" content in its Crown Victoria for it to qualify as an import. That big Canadian-built cars is averaged among Ford's high-mpg imports.

The new option, which takes effect three years after the pact's enactment, will allow carmakers to count Mexican parts in either camp. Counting Mexican parts, the Crown Victoria currently has more than 75 percent U.S., Canadian and Mexican content. But Ford won't have to count the Mexican parts as domestic, so it can still classify the cars as imports.

Japanese transplants decry increase in content levels

'Costly changes in tooling' needed

LINDSAY CHAPPELL
Staff Reporter

Japanese transplant carmakers in Canada and the United States see trouble in the North American Free Trade Agreement.

The Japan Automobile Manufacturers Association in Washington immediately called it "a giant step in the wrong direction."

The Japanese wanted a 50 percent North American (United States, Canada, Mexico) content level for duty-free trade. The agreement starts at that point, but raises it to 62.5 percent over eight years.

"As a result, there will be costly changes in the tooling and production plans of Japanese automotive plants operating in the U.S. and Canada," said a statement from the trade association.

The Japanese firms will be at a disadvantage because the Big 3 will be able to count their Mexican content as domestic. The Big 3 all build engines and other components in Mexico. Nissan Motor Co. Ltd. is the only Japanese company building cars in Mexico. It also builds engines and parts and will soon open a second assembly plant.

A spokesman for Toyota's Canadian plant in Cambridge, Ontario, noted that this will be the second time the government has changed content rules since Toyota began operations there in 1988. In 1989, the U.S.-Canada Free Trade Agreement changed the process for counting content.

"The tougher NAFTA rules won't affect the traditional American manufacturers," said Toyota spokesman Adrean Korstanje. "They make it more difficult for new entrants into the industry, while giving a privileged status to the traditional companies."

But Neil DeKoker, president of the Automotive Parts Manufacturers' Association of Canada, said the deal will not put free trade out of reach of the Canadian transplants.

He said that the eight-year phase-in should give the transplants time to source whatever additional content they require.

"Most of the transplants are already in good shape for meeting the new rules," DeKoker said. "They have announced major global sourcing plans that should increase what they're already sourcing here. Surely within eight years they will be where they need to be."

In addition, changes in the way that content origin will be traced could add 3 to 4 percent to existing levels, he said.

Under present rules, components with 50 percent or less U.S. or Canadian content are "rolled down" to count as zero. Components with at least 51 percent are "rolled up" to count as 100 percent local.

The rules resulted in an entire Ohio-made Honda engine, with an estimated value of $1,500, being rolled down to zero when U.S. Customs calculated the content of Honda's Ontario-made cars this year.

Under the proposed new trade rule, even if the Ohio engine contains only 49 percent "domestic" parts, at least that much of its value would be included in the completed car.

Toyota Motor Corp., Honda Motor Co. and Suzuki Motors Corp. have been struggling to convince U.S. trade officials that their Canadian-built cars meet the existing 50 percent North American-content requirement.

Toyota, and Suzuki's 50-50 joint venture with General Motors of Canada, are under audit by the U.S. Customs Service to prove their 50-percent claims.

"We have easily met the 50-percent requirement" under the U.S.-Canada Free Trade Agreement," said Gail Neuman, vice president of human relations at Nissan Motor Manufacturing Corp. U.S.A. in Smyrna, Tenn., which produces some vehicles for Canada. "I don't have any idea whether we would qualify under the new level."

Earlier this year, Customs informed Honda that its Ontario-built Civics contained only 46 percent local content. Honda had calculated the level at 69 percent.

"We still believe our cars meet the required content level," said a spokesman for Honda of America Manufacturing Inc. in Marysville, Ohio. "We really don't know what the new rules will mean for us, or how they will be implemented. It will take us some time to study it."

UAW just says 'no' to pact

Union sees exodus of jobs to Mexico

LIZ PINTO
Staff Reporter

While economists, business leaders and the White House touted the joys of free trade with Mexico, the UAW shouted "no."

President Bush "has just driven another nail into the American auto worker's coffin," said Jim McNeil, president of UAW Local 600 at Ford Motor Co.'s assembly plant in Dearborn, Mich.

The sentiment was echoed by other UAW local officials across the country.

"You know if George Bush was involved in it, it wouldn't help the working class," said Jimmy Hyde, secretary/treasurer of UAW local 10 at General Motors' assembly plant in Doraville, Ga. "It will benefit business if Bush had anything to do with it."

The UAW contends that the North American Free Trade Agreement will drain the United States and Canada of automotive manufacturing jobs that have been the backbone of the economy. The union says free trade means high-paying manufacturing jobs will move south of the border, where auto workers earn about $100 a week.

U.S. businesses argue the agreement will increase American jobs by making businesses better able to compete against Pacific nations and a unified Europe.

Leo Troy, professor of economics at Rutgers University in New Jersey, said the only way to increase living standards in Mexico is to enrich the country through investment.

"You cannot get people out of poverty without economic growth within the country, and a free-trade agreement will accomplish this," Troy said.

But he also agreed with union members who say the United States will lose unskilled automotive manufacturing jobs to Mexico. This, he says, should be an incentive for auto workers to gain more skill and education because the highly skilled jobs will stay in the United States.

"Competition forces you to face facts," Troy said. "The U.S. auto industry has been somewhat sheltered from foreign competition in the past, but now that protection will be stripped away. But those people entering the work force will see that they need more skills and education to get good paying jobs, and those who don't retire from the industry will have time to get retrained and re-educated.

"The agreement is a positive thing and will benefit us by making the U.S. a country with a highly skilled work force which will enjoy a higher standard of living because products will be cheaper to buy."

Not so, says Billy Jackson, president of UAW Local 2164 at GM's plant in Bowling Green, Ky.

"Passing of the free-trade agreement will result in lower wages, fewer jobs and a reduced standard of living for the majority of U.S. workers," Jackson said.

Troy said the key reason U.S. workers have enjoyed a high standard of living is because they live in the world's largest free-trade area. The agreement builds on the that premise.

But with GM planning 21 plant closings and 80,000 layoffs in North America, auto workers find themselves behind the eight ball once again.

Bob Harlow, president of UAW Local 1776 at GM's assembly plant in Ypsilanti, Mich., lost a bid to keep his plant open earlier this year. He says GM's decision to keep a plant in Arlington, Texas, instead was tied to the free-trade plan. GM wanted a nearby source for cheaper-made parts, Harlow claims.

All the union local officials interviewed for this story said the free-trade deal has motivated members to back Bill Clinton for president.

Clinton has supported free trade with Mexico. But in a speech at the recent UAW convention in San Diego, Clinton said he would fight to force Mexico to raise its labor, wage, safety and environmental standards to keep investment flowing into the country.

UAW President Owen Bieber said in a prepared statement, "We'll be working to elect a president and congressional representatives who understand it's both possible and desirable to expand trade so that it benefits working people instead of economic elites."

1990 AUTO WORKER COMPENSATION
(Hourly average, in U.S. dollars)

U.S.	CANADA	MEXICO
21.93	19.23	2.75

Source: U.S. Bureau of Labor Statistics

> "President Bush has just driven another nail into the American auto worker's coffin."
>
> JIM McNEIL
> UAW LOCAL 600 PRESIDENT

Rewards, costs of deal

Some potential winners and losers under the proposed North American Free Trade Agreement:

WINNERS

■ **U.S. and Canada assembly plants:** Big 3 plants in the United States and Canada are expected to enjoy new demand from an opened Mexican market. Imports accounted for 1.5 percent of the Mexican Big Five's 614,823 sales last year. Most came from the United States. Once Mexico's restraints on imports are lifted, U.S. automakers could serve an expanding Mexico through underutilized U.S. plants.

■ **Large U.S. retailers:** Mexico currently has 1,020 auto retailers. By U.S. standards, the Mexican retail network is antiquated. With relaxed rules on foreign investment, aggressive U.S. dealers could find opportunities for partnerships or direct investments in Mexico.

■ **U.S. and Canadian suppliers:** They see the deal as a chance to boost sales to Mexican assembly plants, to Big 3 plants that would sell more to Mexico, and to Japanese transplants who now face higher North American content requirements.

■ **Mexican labor-intensive suppliers:** Mexico's near-term advantage is in labor-intensive products, in part because worker compensation costs are low. Large numbers of "high touch" suppliers set up maquiladora plants in the 1980s.

James Womack, an industry consultant who advised the Mexican government on the trade pact, believes that demand for some low-priced Mexican commodity items, such as wire harnesses, batteries and seating material, will rise.

■ **U.S. and Canadian high-tech suppliers:** As vehicle assembly increases in Mexico, the need for U.S. and Canadian technical services and products will grow, says James Mateyka, vice president of Booz-Allen & Hamilton Inc., a consulting firm. Likely beneficiaries: engineering services, castings firms, electronics and computer-system suppliers.

LOSERS

■ **Mexican-built big cars:** With restraints on imports, Mexican plants often supply a wide variety of models. Booz-Allen's Mateyka believes an open door to the north will make such plants redundant and lead to greater rationalization with U.S. and Canadian plants.

Womack predicts the shift should create an opportunity for low-cost Big 3 vehicle production in Mexico. "Mexico gives Detroit the chance to reclaim the bottom section of the market that they handed over to East Asia. There's really no way Japan or Korea can compete with Mexico," he said.

■ **Japanese transplants:** The 62.5 percent domestic content threshold stands as a hurdle for Japanese assemblers in North America who want tariff-free treatment. But the push to catch up could also backfire on U.S. suppliers if Japanese automakers turn to Japanese second-tier and third-tier transplant suppliers.

— Lindsay Chappell

MEXICO'S FIVE AUTOMAKERS NORTH AMERICAN PRODUCTION

	Canada	United States	Mexico
Chrysler plants	4	7	2
1991 production	406,866	1,074,850	194,121
Ford plants	3	16	2
1991 production	428,753	2,428,942	222,523
GM plants	4	26	2
1991 production	697,431	3,619,864	192,514
Nissan plants	0	1	1
1991 production	0	265,023	142,824
VW plants	0	0	1
1991 production	0	0	208,901

Source: Automotive News Data Center

What the trade agreement means for the auto industry

Trade negotiators waded through some 20,000 government regulations and 9,000 separate tariffs in order to draft the North American Free Trade Agreement.

The exact agreement — which has not been fully released by the U.S, Canadian and Mexican governments — is long and complex, treating each tariff separately.

The following provisions affect the auto industry:

■ Mexican rules that limit import sales will be reduced as the 1989 Mexican Auto Decree is phased out over 10 years.

■ Mexican vehicle parts will be counted as "domestic" for EPA fuel-economy accounting after three years. Definitions of local content continue to be much stricter for determining duty-free trade status than for U.S. fuel-economy fleets.

■ U.S. tariffs on car and engine imports from Mexico are eliminated immediately; trucks will take five years. Mexican tariffs on U.S. automotive products are cut in half immediately.

■ Mexican duties of about 15 percent on most U.S. and Canadian parts are eliminated after five years.

■ Mexican requirements for balanced trade are eased, which now force importers to re-export larger amounts.

■ Mexican value-added content requirements are reduced from 36 to 29 percent over 10 years.

■ Mexican import limits on medium- and heavy-duty trucks are eliminated after five years.

■ The North American content requirement for tariff-free movement reaches 62.5 percent after eight years. The current U.S.-Canadian level is 50 percent.

■ U.S. trade accounting principles for determining North American vehicle content are clarified and streamlined. "North American" or "domestic" content will now mean U.S., Canadian — and Mexican.

■ Restrictions on greenfield investments are eliminated.

■ Takeover of Mexican joint ventures by U.S. or Canadian partners will be allowed after five years, with Mexican government approval.

■ Both commercial and consumer barriers to the Mexican auto-financing market are eliminated.

— Lindsay Chappell

Suppliers welcome more access

Trade group sees more export sales

LINDSAY CHAPPELL
Staff Reporter

New access to the Mexican market has U.S. and Canadian suppliers excited about the North American Free Trade Agreement.

Two large U.S. supplier trade groups and the major Canadian parts group expressed the same two sentiments over the proposal.

All three predicted that North American suppliers will find new export sales in Mexico once tariffs are eliminated and import restrictions curbed. They also said that easier foreign-investment rules in Mexico will give the industry new manufacturing flexibility.

The proposed rules would shave current Mexican requirements for 36 percent Mexican value-added content to 29 percent. The rules would eliminate Mexico's 15- to 20-percent tariff on most imported parts, and also the 2- to 6-percent U.S. tariffs on Mexican parts.

The pact would also allow North American firms to invest freely in new Mexican plants and to take over joint ventures. Foreign firms now are restricted to a 40-percent stake.

The plan also would require vehicles to contain at least 62.5 percent North American content in order to qualify for tariff-free movement among the three countries. That will press Japanese and German automakers on the continent to source more local components.

The 1,200-member Automotive Parts and Accessories Association in Bethesda, Md., said the agreement "opens the door to unprecedented North American and vehicle and parts-market growth."

Despite prospects that northern suppliers could take a new chunk of its traditional business, even the Mexican parts industry spoke optimistically about the accord last week.

"If the regulations remained as they are today, it would be better than under the negotiated rules," said Ernesto Garza, president of the Auto Parts Manufacturers Association of Mexico. "But we are aware that these changes are necessary in order to obtain free trade.

"There will be some Mexican companies who will not be able to compete. But in general, the parts industry will have the opportunity to grow and reach economies of scale that will make it competitive with parts makers in the United States and Canada."

Recent trade trends were already encouraging the industry. While Mexican parts sales to the United States have been booming in recent years, U.S. sales to Mexico have been booming louder.

As a result of liberalized trade, the United States recently erased its long-standing auto-parts trade deficit with Mexico. In the past three years, Mexican imports of U.S. auto parts have doubled to $5.4 billion a year.

That gave the United States its first parts-trade surplus with Mexico last year since the U.S. government began monitoring the trade in the 1970s. The 1991 surplus was $529 million, up from a $1 billion deficit two years before. In the first quarter of '92, the balance lapsed back to a $230-million deficit.

STRAUSS

NADA chief urges focus on quality

continued from PAGE 3

"Look at the growth of brokers — they prosper because customers are apprehensive. Well, who caused all this anxiety? No other business in the world has these kinds of middle men, so why should we have them in our business?"

Not that the manufacturers are infallible. Strauss scolds them for their addiction to using customer rebates. "Rebates create problems on the floor for managers and destroy the integrity of pricing," he said. "The customer doesn't know what's going on because the sticker means nothing.

"Price is the wall between the customer and the salesman," said Strauss. "We have to tear down that wall so price becomes less of a concern, so customers focus on the quality of the dealership and the products."

He is an advocate of price-point marketing — pricing a vehicle and letting customers decide whether price and value match.

Ford Motor Co. has tinkered with such pricing with mixed success. In 1990 the automaker switched from consumer to dealer incentive programs across nearly all of its car and truck lines, but when other automakers failed to follow its lead, Ford returned to consumer incentives.

More recently, Ford has experimented with value pricing on its Escort and other vehicles with more success. Value pricing is one price for all models of a vehicle with a set option package, regardless of the body style.

Although Strauss is a proponent of value pricing, he said there are potential hazards.

He said manufacturers must include a profit for dealers — he suggests a 10 percent gross profit on a vehicle. And he said dealers should avoid undercutting each other.

"When Ford introduced value-pricing on the Escort for $9,999, it was a good value," he said. "But the dealers weren't satisfied, and immediately started cutting the price. Customers got confused because national advertising and local advertising didn't tie in."

Since Strauss took office in February, he has witnessed several important milestones for dealers.

Ford took a leadership role by hiking the markup for parts replaced under warranty to 35 percent from 30 percent on 1993 models and 40 percent on 1994 models. That was followed by Toyota Motor Sales U.S.A. Inc.'s decision to pay 45 percent on 1993 models.

Manufacturers are resolving the program car dilemma by reducing the volume of rental fleet vehicles, thus raising the mileage on program cars and making them less of a threat to a new-car sale.

Strauss hopes to resolve the tax dilemma dealers face when selling extended service contracts. He said NADA is close to a settlement with the Internal Revenue Service that will help dealers.

But his main concern is to tell dealers that the industry is undergoing change, and they must look hard at some of their practices so they can start making a profit in their new-car departments.

Says Strauss: "If dealers continue to lose money in their new-car departments, then the number of dealers will continue to dwindle. We can't stay in business when the largest revenue producer in the

DOMESTIC AND IMPORTED CAR & LIGHT-TRUCK INVENTORIES (STORY PAGE 4)

Vehicles are domestic unless noted. Vehicles are cars unless noted.

	Units	Days' Supply Aug. 1, 1992	Days' Supply July 1, 1992
ALFA ROMEO (imp.)	900	117	96
Acura (imp.)	35,580	108	72
Domestic car	85,400	48	53
Imported car	36,500	82	58
Honda	121,980	55	54
AMERICAN HONDA	157,480	61	57
BMW (imp.)	15,580	65	67
Summit	4,000	145	178
Talon	9,500	95	81
Premier	200	66	61
Wrangler (trk.)	5,100	38	40
Cherokee (trk.)	24,800	73	55
Grand Cherokee (trk.)	7,700	28	37
Comenche (trk.)	700	88	77
Total Jeep-Eagle	13,700	105	98
Total Jeep-Eagle (imp.)	6,100	149	122
Total Jeep-Eagle (trk.)	38,300	50	46
Laser	7,900	90	101
Sundance	15,900	92	62
Acclaim	14,500	73	87
Voyager (trk.)	32,300	53	46
Total Plymouth	35,300	83	77
Total Plymouth (trk.)	32,300	53	46
LeBaron A	5,700	81	90
LeBaron J	10,600	44	64
Fifth Avenue	7,000	53	57
Imperial	1,400	117	70
New Yorker	2,800	70	81
Town & Country (trk.)	1,200	21	24
Total Chrysler	27,500	55	68
Total Chrysler (imp.)	12,900	133	126
Total Chrysler (trk.)	1,200	21	24
Shadow	16,000	67	47
Monaco	200	130	93
Daytona	4,500	80	123
Spirit	14,100	78	89
Dynasty	9,300	40	36
Vans (trk.)	15,800	77	73
Ram Wagon (trk.)	1,300	31	21
Caravan (trk.)	34,300	48	40
Caravan C/V (trk.)	600	23	33
Ram 50 (imp. trk.)	3,200	195	231
Ramcharger (trk.)	700	54	54
Dakota (trk.)	33,600	83	76
Pickups (trk.)	18,700	79	83
Total Dodge	44,100	82	55
Total Dodge (imp.)	6,800	132	115
Total Dodge (trk.)	108,200	65	58
Total domestic car	123,500	69	67
Total imported car	25,819	136	122
Total domestic truck	178,800	58	52
CHRYSLER CORP.	329,400	68	60
Escort	65,400	76	79
Mustang	19,800	72	59
Tempo	27,700	38	37
Taurus	54,700	48	42
Thunderbird	15,800	47	56
Probe	16,400	67	73
Crown Victoria	22,800	54	67
Vans (trk.)	43,200	95	103
Aerostar (trk.)	21,800	39	36
Club Wagon (trk.)	2,900	27	36
Ranger (trk.)	59,400	67	75
Bronco (trk.)	5,500	69	59
Explorer (trk.)	47,800	48	51
Pickups (trk.)	126,500	80	78
Total Ford Div.	222,600	55	54
Total Ford Div. (imp.)	11,502	101	84
Total Ford Div. (trk.)	312,000	66	67
Topaz	13,600	41	49
Sable	19,900	49	49
Cougar	11,800	56	70
Grand Marquis	21,300	59	61
Villager (trk.)	2,900	204	0
Total Mercury	66,900	51	55
Total Mercury (imp.)	17,400	78	107
Total Mercury (trk.)	2,900	204	3
Continental	8,000	81	75
Town Car	15,900	49	46
Mark VII	1,400	75	136
Total Lincoln	25,300	57	55
Total L-M Div.	91,900	53	55
Total domestic car	314,500	55	55
Total imported car	29,900	86	96
Total domestic truck	312,000	66	67
FORD MOTOR CO.	655,400	63	61
Somerset	10,200	45	52
Century	13,100	37	40
Regal	19,400	39	60
LeSabre	19,000	44	65
Roadmaster	10,800	58	68
Park Avenue	17,000	82	93
Riviera	3,400	78	90
Total Buick	92,900	48	64
Allante	1,100	119	163
Seville	13,100	120	129
DeVille	13,700	82	33
Brougham	4,600	212	248
Eldorado	11,500	124	161
Total Cadillac	43,900	97	89
Geo Prizm	17,700	46	60
Cavalier	37,800	57	57
Camaro	12,700	52	55
Corsica-Beretta	17,800	36	30
Lumina	44,500	50	54
Caprice	18,900	46	46
Corvette	5,400	108	77
Vans (trk.)	34,300	99	117
Sportsvan (trk.)	1,500	72	39
Geo Tracker (trk.)	13,700	94	84
Astro (trk.)	29,400	74	67
Lumina APV (trk.)	9,500	68	55
S10 (trk.)	47,100	66	83
S10 Blazer (trk.)	28,800	53	65
Blazer (trk.)	4,500	66	54
Suburban (trk.)	4,500	22	24
Pickups (trk.)	113,000	75	74
Total Chevrolet	154,800	44	46
Total Chevrolet (imp.)	61,300	238	178
Total Chevrolet (trk.)	286,300	70	73
Achieva/Calais	26,900	84	99
Cutlass Ciera	13,800	36	33
Cutlass Supreme	15,000	58	57
Eighty Eight	23,200	114	102
Ninety Eight	9,200	63	55
Toronado	2,200	95	129
Silhouette (trk.)	3,300	74	59
Bravada (trk.)	2,300	87	69
Total Oldsmobile	98,300	66	62
Total Oldsmobile (trk.)	5,800	79	63
Sunbird	11,200	47	53
Firebird	6,100	76	69
Grand Am	28,700	45	36
Grand Prix	15,100	41	45
Bonneville	20,500	55	72
Trans Sport	7,600	87	56
Total Pontiac	81,800	48	48
Total Pontiac (imp.)	4,600	118	92
Total Pontiac (trk.)	7,600	87	56
Vans (trk.)	16,600	115	147
Safari (trk.)	12,600	88	76
S15/Sonoma (trk.)	14,600	87	104
S15 Jimmy (trk.)	10,500	69	83
Jimmy (trk.)	2,300	126	136
Suburban (trk.)	3,100	43	54
Pickups (trk.)	39,000	73	91
Total GMC (trk.)	98,700	79	93
Total Saturn	11,000	13	23
Total domestic car	474,500	48	52
Total imported car	65,900	222	166
Total domestic truck	358,200	72	77
GENERAL MOTORS	930,600	61	63
HYUNDAI (imp.)	25,100	69	66
Imported car	1,900	76	74
Truck (dom./imp.)	42,900	136	116
ISUZU	44,800	153	112
JAGUAR (imp.)	1,400	80	40
Domestic car	12,800	49	49
Imported car	35,800	66	64
Truck (dom./imp.)	26,600	77	112
MAZDA	75,200	58	74
MERCEDES-BENZ (imp.)	9,500	48	30
Domestic car	17,000	68	67
Imported car	25,300	66	80
Imported truck	7,800	96	123
MITSUBISHI	50,100	69	79
Infiniti (imp.)	7,900	49	48
Domestic car	28,200	63	61
Imported car	91,800	133	63
Truck (dom./imp.)	53,800	119	95
Nissan	173,800	93	71
NISSAN MOTOR CORP.	181,700	90	69
PORSCHE (imp.)	1,300	87	91
RANGE ROVER (imp. trk.)	800	85	88
SAAB (imp.)	4,500	53	37
Domestic car	28,400	147	135
Imported car	19,100	66	99
SUBARU	47,500	99	117
Car (dom./imp.)	2,400	114	123
Truck (dom./imp.)	6,400	88	100
SUZUKI	8,800	119	105
Lexus (imp.)	5,900	28	22
Domestic car	26,800	18	27
Imported car	36,700	39	47
Imported truck	34,400	34	47
Toyota	97,500	28	38
TOYOTA MOTOR SALES	103,800	28	37
Audi (imp.)	6,700	201	173
Volkswagen (imp.)	29,900	119	101
Volkswagen (trk.)	300	103	85
VWoA	36,900	119	109
VOLVO (imp.)	11,900	48	41
Domestic car	1,111,100	51	54
Imported car	525,300	82	70
TOTAL CAR	1,636,400	58	58
Domestic truck	869,063	67	63
Imported truck	173,100	75	84
TOTAL TRUCK	1,042,100	68	66
TOTAL STOCK	2,800,500	62	62

GM PRICE

Overall increase averages 1.6%

continued from PAGE 1

percent range we're seeing from Ford and Chrysler."

GM's pricing strategy was apparent. The 1993 prices on the mid-sized Pontiac Grand Prix are unchanged from final 1992 prices, while Chevrolet concentrated the Lumina price increase on the coupe. Chevrolet made the V-6 engine and air conditioning standard on the coupe, driving the price up by $1,490. Prices on other Lumina models are unchanged.

The price increases on the Buick Regal were modest, but hikes on other mid-sized cars were substantial. Buick Century Custom sedan was increased $1,150, and Oldsmobile Cutlass Ciera S sedan rose $1,444. Prices on Oldsmobile's Cutlass Supreme S sedan and coupe remain unchanged while the Cutlass Supreme International was increased by $1,004.

Chrysler Corp.'s 1993 Dodge Intrepid, Eagle Vision and Chrysler Concorde are coming, and Ford Taurus and Mercury Sable already have a comfortable niche.

While Chrysler's LH sedans and the Taurus/Sable duo have airbags, GM's carryover Lumina, Cutlass Supreme, Regal and Grand Prix won't be equipped with airbags until the 1994 model year.

Prices on the Chevrolet Cavalier and Pontiac Sunbird were reduced. For example, the price of the Sunbird LE coupe was lowered $238 and the Cavalier sedan was slashed $579. The price on the Cadillac Fleetwood was lowered $2,370.

Popular-selling models that got hefty price increases included the Pontiac Bonneville SSEi, up $1,399, and the Cadillac Seville STS, up $2,515.

1993 GENERAL MOTORS PRICES

	1993 Price	Change from current price
BUICK Century		
Special 4-dr.	$14,205	+$ 410
Special wagon*	14,960	
Custom 2-dr.	15,620	+ 1,070
Custom 4-dr.	15,905	+ 1,150
Custom wagon	17,250	+ 1,590
Limited 4-dr.	16,865	+ 1,170
Regal		
Custom 2-dr.	16,610	0
Custom 4-dr.	16,865	0
Limited 2-dr.	18,260	+ 470
Limited 4-dr.	18,460	+ 350
Gran Sport 2-dr.	19,095	+ 495
Gran Sport 4-dr.	19,310	+ 10
LeSabre		
Custom 4-dr.	19,935	+ 1,240
Limited 4-dr.	21,735	+ 960
Roadmaster		
4-dr.	22,555	+ 690
Limited 4-dr.	24,920	+ 725
Estate Wagon	23,850	+ 810
Park Avenue		
4-dr.	26,040	+ 755
Ultra 4-dr.	29,395	+ 615
Riviera		
2-dr.	26,230	+ 815
Skylark		
Custom 2-dr.*	12,955	
Custom 4-dr.*	12,955	
Limited 2-dr.*	13,875	
Limited 4-dr.*	13,875	
Gran Sport 2-dr.	15,760	+ 205
Gran Sport 4-dr.	15,760	+ 205

*New model for 1993

CADILLAC Allante		
Conv.	61,675	+ 4,505
DeVille		
2-dr.	33,915	+ 2,175
4-dr.	32,990	+ 1,250
Touring 4-dr.	36,310	+ 1,120
Sixty Special 4-dr.	37,230	– 2,630
Seville		
4-dr.	36,990	+ 2,015
Touring 4-dr.	41,990	+ 2,515
Eldorado		
2-dr.	33,990	+ 1,520
Fleetwood		
4-dr.	33,990	– 2,370

Eldorado Sport Coupe and Touring Coupe will be priced later.

CHEVROLET		
Geo Metro XFi 3-dr.	6,710	– 289
3-dr.	6,710	– 289
5-dr.	7,199	– 200
LSi 3-dr.	8,199	0
LSi 5-dr.	8,599	0
Conv.	9,999	0
Geo Tracker 2-dr.	11,750	– 150
LSi 2-dr.	12,950	–
Conv. (2wd)	10,330	+ 635
Conv.	11,585	+ 85
LSi conv.	12,685	+ 85
Cavalier		
VL 4-dr.	8,620	– 379
VL 2-dr.	8,520	– 379
VL wagon	9,735	– 364
RS 4-dr.	9,620	– 579
RS 2-dr.	9,520	– 479
RS wagon	10,785	– 414
RS conv.	15,395	0
Z24 2-dr.	12,500	– 495
Z24 conv.	18,305	0
Corsica		
LT 4-dr.	11,395	+ 396
Beretta		
2-dr.	$11,395	+$ 396
GTZ 2-dr.	15,995	+ 405
GT 2-dr.	12,995	+ 420
Lumina		
4-dr.	13,400	0
2-dr.	14,690	+ 1,490
Euro 4-dr.	15,800	0
Euro 2-dr.	15,600	0
Z34 2-dr.	18,400	0
Caprice		
4-dr.	17,995	+ 695
Classic 4-dr.	19,995	+ 695
Wagon	19,575	+ 875
Corvette		
2-dr. hatch	34,595	+ 960
Conv.	41,195	+ 1,050
Lumina APV		
Van	15,895	+ 325
CL van	17,995	+ 640
Cargo van	14,695	+ 320

Geo Storm and Prizm and Chevrolet Camaro prices will be announced later.

OLDSMOBILE		
Achieva		
S 2-dr.	13,049	+ 334
S 4-dr.	13,149	+ 334
SL 2-dr.	14,849	+ 354
SL 4-dr.	14,949	+ 354
Cutlass Ciera		
S 4-dr.	14,199	+ 1,444
SL 4-dr.	17,899	+ 1,004
Cutlass Cruiser		
S 2-seat wagon	14,899	+ 1,039
SL 3-seat wagon	18,399	+ 1,504
Cutlass Supreme		
S 2-dr.	15,695	0
S 4-dr.	15,795	0
International 2-dr.	22,799	+ 1,004
International 4-dr.	22,899	+ 1,004
Conv.	22,699	+ 704
Eighty Eight		
Royale 4-dr.	19,594	+ 1,099
Royale LS 4-dr.	21,949	+ 554
Ninety Eight		
Regency 4-dr.	24,999	+ 404
Regency Elite 4-dr.	26,999	+ 804
Touring Sedan 4-dr.	29,699	+ 704
Silhouette		
Van	19,499	+ 404
Bravada		
Sport-utility	25,349	+ 754
PONTIAC LeMans		
VL 2-dr. hatch	8,154	+ 104
SE 2-dr. hatch	9,054	+ 304
SE 4-dr.	9,854	+ 389
Sunbird		
LE 2-dr.	9,382	– 238
LE 4-dr.	9,382	– 338
SE 2-dr.	10,380	0
SE 4-dr.	10,380	– 100
SE conv.	15,403	0
GT 2-dr.	12,820	0
Grand Am		
SE 2-dr.	12,524	+ 625
SE 4-dr.	12,624	+ 625
GT 2-dr.	13,924	+ 225
GT 4-dr.	14,024	+ 225
Grand Prix		
LE 4-dr.	14,890	0
SE 2-dr.	15,390	0
SE 4-dr.	16,190	0
GT 2-dr.	20,340	0
STE 4-dr.	21,635	0
Bonneville		
SE 4-dr.	19,444	+ 845
SSE 4-dr.	24,844	+ 845
SSEi 4-dr.	29,444	+ 1,399
Trans Sport		
SE Van	16,689	+ 464

Firebird prices will be announced later.

incentive WATCH

INCENTIVE WATCH— DEALER INCENTIVES

NEW PROGRAMS

HONDA (1992 models; expires Sept. 30)

Accord	$500
Civic	$400

MITSUBISHI (1992 models; expires Sept. 30)

Expo/Eclipse (combined)	0-$1,200, based on number sold
Galant or pickup (dealer's choice)	0-$1,200, based on number sold

SUBARU (1992 models, expires Nov. 3)

Legacy (invoiced before Feb. 4)	$500-2,500
Legacy (invoiced after Feb. 3)	$1,000-3,000
SVX	$2,000
Loyale awd wagon	$800

SUZUKI (expires Oct. 2)

Swift (1993)	$300-500
Swift (1992)	$500-1,000
Sidekick (1993)	$300-600
Sidekick (1992)	$700-1,000

TOYOTA (expires Sept. 2)

Corolla (1992 only)	$800-$1,000, quota
Celica	$600-800, quota
Tercel	$200-$400, quota
Pickup base	$800-1,000, quota
Other pickup	$300-500, quota

CONTINUING PROGRAMS

AUDI (1991 models, no expiration date)

Audi 100 and 200	$1,500
Audi 90	$1,000

Rebates apply to models purchased by dealer from Audi of America port stocks.

BMW (no expiration date)

750iL (1991)	$10,000

CADILLAC (1992 models, expires Sept. 23)

Eldorado, Seville (except STS)	$0-1,500, based on number sold

CHEVROLET (1992 models, expires Sept. 23)

Corvette ZR-1	$2,000
Other Corvette	$1,000
G van conversion	$1,000

CHRYSLER (1991-92 models; expires Aug. 31)

Imperial, all New Yorker	$1,000-2,000, quota

FORD (1992 models; expires Sept. 23)

Taurus SHO (demos)	$2,000
Econoline van conversion	$750

GMC (1992 models; expires Sept. 23)

G van conversion	$750-1,000, quota

ISUZU (expires Sept. 30)

Impluse (1991)	$2,500
Impulse (1992)	$1,500
Stylus (1991 Calif.)	$800-2,000
Stylus (1991)	$800-1,100
Stylus (1992)	$500
*Pickup (1991-'92)	$800-1,600
*Rodeo (1991-'92)	$400-1,400

*Dealer can choose flat payment or one based on number sold.
Dealer has the option to sharing rebate with buyer.

LOTUS (1991, no expiration date)

Elan	$5,000
Esprit Turbo	$11,000-15,000

NISSAN (1992 models; expires Sept. 30)

Maxima SE	$250
Sentra 2-dr.	$800
Other Sentra	$950
Maxima GXE	$1,000
240SX (except conv.)	$1,000
Stanza	$2,000
Pickup	$1,750

PEUGEOT (no expiration date)

405	$5,000
505	$6,000

Chrysler ups incentives on 3 '91 models

ARLENA SAWYERS
Staff Reporter

Chrysler Corp. increased incentives on three 1991 models and is offering retail buyers optional equipment at no extra cost on some 1992 models.

From Aug. 13 through Oct. 31, the company is offering at no extra charge seven items of equipment — air conditioning, tilt steering wheel, automatic speed control, two extra speakers, floor mats, electric rear defroster and tinted glass — on 1992 **Plymouth** Acclaim, **Dodge** Spirit and **Chrysler** LeBaron.

The equipment, valued at $1,605, is in addition to the national rebate of $1,000.

Also, Chrysler increased consumer rebates on 1991 Acclaim, Spirit and LeBaron sedans from $1,000 to $1,500 until Sept. 30. The 1991 models are not included in the option incentive.

Cadillac is paying factory-to-dealer incentives on 1992 Eldorado and Seville, except STS, until Sept. 23. The incentives range to $1,500, based on the number of vehicles sold.

DEALERS

Changes ahead for GM's franchises

continued from PAGE 1

point, plus Pontiac-Buick and Oldsmobile-Cadillac, with a GMC Truck franchise at one of those two.

The GM dealer network planners have not endorsed assigning entire market areas to dealers, as Saturn Corp. has done, but the idea is under consideration.

Also being discussed internally is a plan to allow satellite locations for sales or service.

The company recently began discussing the conclusions of the study with dealers.

Dealers in Baltimore and Minneapolis have been briefed. In Baltimore, the study found most GM dealerships were inside the Beltway, where population and income has stagnated, and few in the outside suburbs, where population and income are growing and many key import competitors are situated.

Dealers familiar with Project 2000 who were interviewed for this story said they didn't feel threatened by GM's approach.

"This is not a plan to punish dealers or put them out of business," said a non-GM source familiar with Project 2000. "But if you know what's coming, you can make plans."

> "This is not a plan to punish dealers."
>
> NON-GM SOURCE

The dealers said they were approached with frankness and a detailed analysis of their market area. In some cases, dealers were told that if they don't move, their business won't survive.

Another source said some points are beyond help. Those owners may be counseled to avoid large capital investments and to prepare for life after their dealership goes out of business.

Roggenkamp and his group began the study more than a year ago when he was with the former Customer Sales and Service Staff at corporate headquarters.

Roggenkamp was assistant general sales manager at Chevrolet before he moved to his current job on Nov. 1, 1989. His 30-year GM career has included zone and regional assignments from Syracuse, N.Y., to Des Moines, Iowa, to California.

HILLS

America's tough free trade negotiator

continued from PAGE 3

ereign actor," said one former trade negotiator, who, like other sources for this story, didn't want to be identified.

"The trade representative has to fit in politically. So if she acts, you know the wind is blowing hard and coherently behind her."

LAWYER BY TRAINING

It is Hills' style, more than her politics, that rankles some.

Conversations with a dozen acquaintances and former co-workers reveal a picture of a tough, competitive, sometimes thin-skinned workaholic who often shows up in her office across the street from the White House on Sundays.

Hills is a lawyer, not an economist or trade negotiator by training and profession.

"She is extremely well prepared, reads tons of briefing papers, and when she sits across from Japanese negotiators, she doesn't back down an inch," said a former trade office employee.

"But she's a details person, not a big picture person. She knows the issues she'll be questioned about or must negotiate, but she can get lost when she strays from her briefing paper or prepared text."

And she can be curt.

For example, during a recent round of free trade talks held outside Washington, both the Canadian and Mexican negotiators were complaining about Hills' attitude.

Concerns about Hills' style heightened as the last round of talks dragged on for two weeks.

"It takes a certain style to close a deal," the former negotiator said. "You have to be able to see the big picture, to give and take." He added, "She wants everything."

PRIVILEGED CHILDHOOD

Hills, 58, is used to the limelight.

She is the product of a privileged childhood. The family home in Los Angeles was grand enough to serve as the setting for the film "Sunset Boulevard."

Hills declined to be interviewed for this story. But she has described herself as a "tomboy" who sailed, rode horses and played varsity girls basketball and volleyball in private high school.

In 1955, Hills graduated with honors from Stanford University, where she was a champion tennis player. She earned her law degree at Yale University in 1958.

Hills first gained prominence nationally as secretary of Housing and Urban Development in the latter years of the Nixon administration. She was practicing anti-trust law when Bush tapped her as trade representative in 1989.

Like many who have spent most of their professional lives in Washington, Hills has been touched by scandal.

While providing legal counsel to a mortgage company in 1985, Hills met with Samuel Pierce, then HUD secretary. Pierce subsequently overruled a staff recommendation that the mortgage company be barred from further business with HUD. When the mortgage company later failed, HUD — and U.S. taxpayers — were left with a bill of nearly $800 million.

Hills was grilled for nearly six hours during Congressional hearings on the scandal in 1989. She defended herself, saying she had done nothing unethical, and that all she got out of the deal was $33,500 for 150 hours of legal work.

INCENTIVE WATCH — CUSTOMER INCENTIVES

CONTINUING PROGRAMS

CHRYSLER CORP.
(Expires Aug. 31; 1991-92 models unless otherwise indicated; in lieu of rebates, finance rates of 4.9 to 9.9 percent are offered.)

Chrysler Imperial, New Yorker, Fifth Avenue	$1,500
LeBaron Coupe, (1991-93), Sedan ('91)	$1,500
Imperial ('93), Fifth Ave. ('93)	$1,250
New Yorker Salon, LeBaron sedan ('92)	$1,000
New Yorker Salon ('93)	$750
Dodge Daytona ('91), Spirit ('91)	$1,500
Dynasty, Daytona ('92-93), Spirit ('92)	$1,000
Dynasty ('93)	$750
Shadow	$700
Colt 3-dr, (excludes Calif. and Hawaii)	$700
Dodge Ramcharger	$2,000
Ram pickup (gas, '91-93)	$1,500
Ram wagon, van/ conversion ('91-93)	$1,000
Dakota, Ram 50	$500
Eagle Talon (awd)	$1,500
Talon (2wd)	$1,000
Summit 4 door	$1,000
Summit 3-dr. (except Calif. and Hawaii)	$700
Summit wagon ('92)	$500
Jeep Cherokee	$1,500
Wrangler, Comanche	$500
Cherokee ('93)	$500
Plymouth Laser (awd), Acclaim ('91)	$1,500
Acclaim (92), Laser (2wd)	$1,000
Sundance	$700
Colt 3-dr. (except Calif. and Hawaii)	$700
Vista	$500
Minivans Short wheelbase	$500
Caravan C/V short and long w.b.	$500
Long wheelbase Calif. and) Hawaii only)	$500

FORD MOTOR CO.

1993 models

Expires Sept. 23. In lieu of rebates, 7.9 percent financing is available.

Ford Festiva	$500
Escort (regional)	0-$400
Mercury Capri	$500
Tracer (regional)	0-$400

1992 models

Expires Sept. 23. In lieu of rebates, financing rates of 2.9 to 7.9 percent are offered.

Ford Probe, Thunderbird	$1,500
Festiva, Taurus SHO	$1,000
Other Taurus (regional)	$750-1,000
Mustang (regional)	$500-1,000
Tempo, Crown Victoria	$500
Escort (regional)	$400-1,000
Ford Econoline RV	$1,300
Bronco	$1,000
Ranger (regional)	$750-1,000
Aerostar (regional)	$500-1,000
F series	$300
Lincoln Mark VII	$3,000
Town Car	$2,000
Continental	$2,000
Mercury Cougar	$1,500
Capri (regional)	$1,000-1,500
Sable (regional)	$750-1,000
Tracer (regional)	$400-1,000
Grand Marquis	$750
Topaz	$500
Crown Victoria; Grand Marquis for owners of Ford Motor Co. products	$1,000

1991 models

Expires Sept. 23. In lieu of rebates, financing rates of 2.9 to 7.9 percent are offered.

Ford Probe (regional)	$1,500-2,000
Thunderbird	$1,500
Mustang (regional)	$1,000-1,500
Taurus SHO (regional)	$600-1,000
Other Taurus (regional)	$400-1,000
Tempo	$400
Ford Econoline E-150 RV pkg.	$1,300
Bronco	$1,000
Aerostar (regional)	$400-1,000
Ranger, F series, Econoline, Club Wagon	$400
Mercury Capri	$2,000
Cougar	$1,500
Tracer LTS (regional)	$400-1,500
Other Tracer, Sable (regional)	$400-1,000
Topaz	$400

GENERAL MOTORS

1992 models

Expires Sept. 23. In lieu of rebates, finance rates of 2.9 to 6.9 percent are offered. Some rebates vary by regions.

Buick Century, LeSabre	$250-1,000
Skylark	$500-1,250
Regal	$750-1,500
Roadmaster, Park Avenue	$1,000
Riviera	$2,000

Rebates based on option package ordered.

Cadillac DeVille, Brougham, Fleetwood	$2,500
Chevrolet Geo Metro (manual), Camaro, Corsica, Beretta, Caprice	$500
Geo Metro (automatic)	$700
Cavalier	$750
Geo Metro conv.	$1,000
Geo Storm, Geo Prizm, Lumina	$1,500
Chevrolet C/K pickups	$300
Astro, G-Van	$500
Geo Tracker (2wd), S/T pickup	
Lumina APV	$750
Geo Tracker (4wd)	$1,000
G-Van Upfit	$1,300
S/T Blazer	$2,000
GMC G-Van, Safari	$500
Sonoma	$750
Jimmy (exclude Typhoon)	$2,000
Oldsmobile Sihouette, Eighty Eight	$500-1,000
Cutlass Supreme	$500-1,250
Custom Cruiser, Bravada	$500-2,000
Toronado	$500-2,500
Achieva	$750
Cutlass Ciera	$1,000
Ninety Eight	$1,500

Some rebates may vary by region.

Pontiac Sunbird, Grand Am	$500
Grand Prix	$500-750
Bonneville, Firebird Trans Sport	$750

Rebates vary by geographical areas.

1991 models

Chevrolet Geo Storm (expires Sept. 23)	$750

HYUNDAI (expires Oct.2)

Sonata ('91)	$2,000
Excel ('91)	$1,200
Scoupe SE ('91)	$1,000
Other Scoupe ('91)	$1,500
Sonata ('92)	$1,500-$2,000
Elantra ('92)	$750-1,000
Excel ('92)	$500-750
Scoupe ('92)	$500-750

MAZDA (1992 models, expire Sept. 8)

Protege, MX-6	$1,400
626	$1,200
MPV	$1,000
Navajo	$750-1,500
Pickups	$750-1,000

Navajo and pickup rebates vary by model and region.

SCHEDULED PLANT CLOSINGS

Plant	Weeks down	Units lost/ week
FORD		
Lorain, Ohio	8/17	3,800
Ford Thunderbird		
Mercury Cougar		
Edison, N.J.		*
Ford Ranger		
Twin Cities (St. Paul, Minn.)		*
Ford F series		
Ford Ranger		
GENERAL MOTORS		
Willow Run, Mich.	8/17	
Buick Roadmaster Estate wagon		200
Chevrolet Caprice sedan & wagon		1,500
Olds. Custom Cruiser wagon		0
Total U.S. car		**5,500**
Total units lost week of 8/17		**5,500**

*Plant closed until September for model changeover
Source: Automotive News Data Center

Kerkorian drops bid for board seat

MARY CONNELLY
Staff Reporter

Billionaire financier Kirk Kerkorian has dropped his bid for a Chrysler Corp. board seat — smoothing the way for Robert Eaton to uneventfully replace chairman Lee Iacocca Jan. 1, 1993.

Kerkorian, a corporate raider who is Chrysler's largest shareholder, questioned the management succession in a letter filed with the Securities & Exchange Commission Aug. 6. Specifically, Kerkorian said Iacocca's diminished corporate role after year end had prompted the request for board representation.

Kerkorian, who holds 9.8 percent, or 28 million shares, of Chrysler's common stock, reversed his stance and withdrew his request for board representation after meeting August 13 for more than an hour with Iacocca, chairman-designate Eaton and Malcolm Stamper, a Chrysler director and chairman of the board's nominating committee.

The meeting was held at the offices of Kerkorian's Tracinda Corp. in Beverly Hills, Calif.

"This was the first time Mr. Kerkorian had met with board members other than Mr. Iacocca. It was also his first meeting with Mr. Eaton," said Tracinda spokesman Gene Shutler.

In a statement, Kerkorian said he is "convinced that the interests of Chrysler's shareholders are being well represented by the current board."

Kerkorian said he is "comfortable" with Iacocca's plans to continue as a company director and chairman of the board's executive committee following retirement.

Kerkorian's spokesman acknowledged that Iacocca's chairmanship of the board's executive committee will be limited to one year. Iacocca had sought a longer tenure but was rebuffed by the board in July.

In his Aug. 6 letter, Kerkorian said he made the $300 million Chrysler investment because of Iacocca's "assurance that he would remain as chairman of the board through 1994."

In a letter to Kerkorian following the Aug. 13 meeting, Iacocca said he has "the utmost confidence" in Eaton.

He added he expects to "remain active in Chrysler's future and to continue to serve the best interests of the shareholders."

U.S. AND CANADA CAR AND TRUCK PRODUCTION

Vehicles are assembled in the United States unless noted. Vehicles are cars unless noted.

	Est. 8/10-8/15/92	Actual 8/3-8/8/92	8/1 8/15	Year 1/1-8/15/92	Year 1/1-8/17/91
Concorde (Can.)	10	0	10	24	0
LeBaron A	450	49	499	499	0
LeBaron J	500	368	868	34,611	18,697
New Yorker	800	515	1,315	10,438	4,773
Fifth Avenue	1,200	1,269	2,469	25,039	20,697
Imperial	200	222	422	3,355	4,563
Town & Country (trk.)	600	490	1,090	10,131	2,028
Total Chrysler Div.	**3,760**	**2,913**	**6,673**	**84,097**	**50,758**
Sundance	1,850	1,830	3,680	38,382	32,892
Acclaim	1,450	1,635	3,085	46,270	48,338
Voyager (trk.)	2,250	2,392	4,642	61,182	57,219
Voyager (Can. trk.)	3,186	3,150	6,336	80,588	66,803
Total Plymouth	**8,736**	**9,007**	**17,743**	**226,422**	**205,252**
Intrepid (Can.)	930	598	1,528	2,513	0
Daytona	300	462	762	8,676	4,940
Shadow	2,000	1,988	3,988	59,684	37,885
Dynasty	1,800	1,966	3,766	53,207	66,450
Spirit	1,400	1,327	2,727	44,774	43,369
Viper	10	0	10	93	0
Monaco (Can.)	0	0	0	0	6,074
Caravan (trk.)	2,850	2,791	5,641	80,121	68,174
Caravan (Can. trk.)	3,385	3,405	6,790	103,915	87,536
Caravan C/V (trk.)	50	12	62	1,943	2,176
Caravan C/V (Can. trk.)	30	0	30	4,425	12,019
Dakota (trk.)	2,850	3,334	6,184	86,070	48,996
Ram pickup (trk.)	1,000	1,066	2,066	35,120	48,661
Ram wagon (Can. trk.)	350	378	728	14,111	12,683
Ram van (Can. trk.)	1,610	1,622	3,232	42,705	23,353
Total Dodge	**18,585**	**18,969**	**37,534**	**537,357**	**462,316**
Vision (Can.)	460	342	802	1,731	0
Premier (Can.)	0	0	0	0	9,084
Cherokee (trk.)	2,400	2,970	5,370	83,039	81,376
Comanche (trk.)	0	0	0	915	3,118
Grand Cherokee (trk.)*	3,000	2,730	5,730	45,997	1,560
Briarwood (trk.)	0	0	0	325	1,684
Wrangler (trk.)	1,000	971	1,971	2,803	0
Wrangler (Can trk.)	0	0	0	29,026	36,938
Total Jeep-Eagle	**6,860**	**7,013**	**13,873**	**163,836**	**133,760**
Total U.S. car	**11,960**	**11,631**	**23,591**	**325,028**	**282,604**
Total Can. car	**1,400**	**940**	**2,340**	**4,268**	**15,158**
Total U.S. truck	**16,000**	**16,776**	**32,776**	**407,646**	**314,952**
Total Can. truck	**8,561**	**8,555**	**17,116**	**274,770**	**239,332**
CHRYSLER CORP.	**37,921**	**37,902**	**75,823**	**1,011,712**	**852,086**
Escort	5,792	0	5,792	109,265	129,243
Mustang	2,753	2,414	5,167	61,223	56,658
Tempo	2,254	2,987	5,241	85,220	71,566
Tempo (Can.)	3,365	2,672	6,037	77,790	68,911
Taurus	7,984	6,909	14,893	244,380	197,844
Thunderbird	0	0	0	52,383	50,231
Crown Victoria (Can.)	1,713	2,349	4,062	68,318	57,464
Aerostar (trk.)	3,511	4,071	7,582	114,821	103,954
Bronco (trk.)	714	695	1,409	15,500	9,420
Explorer (trk.)	5,664	5,635	11,299	190,693	166,842
Mazda Navajo (trk.)	0	0	0	2,982	6,438
Econoline (trk.)	4,437	4,419	8,856	122,667	89,042
Heavy (trk.)	649	978	1,627	27,937	21,731
Light truck (trk.)	8,508	6,226	14,734	272,364	186,422
Light truck (Can. trk.)	3,040	2,261	5,301	81,629	63,714
Ranger (trk.)	1,275	1,490	2,765	158,185	164,751
Total Ford Division	**51,659**	**43,106**	**94,765**	**1,685,357**	**1,444,231**
Topaz	913	1,013	1,926	37,306	30,468
Topaz (Can.)	1,435	1,168	2,603	31,177	22,529
Cougar	0	0	0	34,235	40,751
Sable	2,769	2,554	5,323	80,804	65,182
Grand Marquis (Can.)	2,375	2,256	4,631	65,418	60,034
Mercury Villager (trk.)	591	460	1,051	4,507	0
Nissan Quest (trk.)	344	272	616	2,679	0
Total Mercury	**8,427**	**7,723**	**16,150**	**256,126**	**218,964**
Continental	839	838	1,677	24,030	35,073
Mark VII	0	0	0	2,375	6,139
Town Car	2,514	2,526	5,040	72,040	82,508
Total Lincoln	**3,353**	**3,364**	**6,717**	**98,445**	**123,720**
Total L-M Division	**11,780**	**11,087**	**22,867**	**354,571**	**342,684**
Total U.S. car	**25,818**	**19,241**	**45,059**	**803,261**	**765,663**
Total Can. car	**8,888**	**8,445**	**17,333**	**242,703**	**208,938**
Total U.S. truck	**25,693**	**24,246**	**49,939**	**912,335**	**748,600**
Total Can. truck	**3,040**	**2,261**	**5,301**	**81,629**	**63,714**
FORD MOTOR CO.	**63,439**	**54,193**	**117,632**	**2,039,928**	**1,786,915**
Skylark	797	251	1,048	35,461	27,566
Century	1,979	1,434	3,413	52,316	55,449
Regal (Can.)	2,000	0	2,000	61,776	74,255
Riviera	130	31	161	7,407	13,779
Park Avenue	758	714	1,472	36,242	69,877
LeSabre	3,494	3,092	6,586	100,354	38,043
Roadmaster sedan	1,197	999	2,196	27,521	15,533
Roadmaster wagon	0	0	0	6,657	17,139
Reatta	0	0	0	0	1,206
Total Buick	**10,355**	**6,521**	**16,876**	**327,734**	**312,847**
Eldorado	160	39	199	21,474	6,820
Seville	328	90	418	31,534	14,921
Brougham	221	137	358	2,528	11,732
DeVille	3,598	1,907	5,505	69,518	95,702
Allante	64	65	129	1,228	2,009
Total Cadillac	**4,371**	**2,238**	**6,609**	**126,282**	**131,184**
Cavalier	2,922	306	3,228	130,892	159,813
Camaro	1,972	1,968	3,940	44,746	31,961
Corsica-Beretta	4,160	3,996	8,156	124,296	158,817
Lumina (Can.)	4,000	0	4,000	143,106	138,452
Caprice	404	36	440	71,193	83,926
Corvette	480	291	771	13,327	13,135
Astro (trk.)	2,725	3,241	5,966	91,293	55,135
Blazer (trk.)	750	631	1,381	14,977	5,530
Lumina APV (trk.)	389	58	447	27,746	24,370
Mediums (trk.)	227	163	390	4,391	863
P-model (trk.)	607	674	1,281	15,508	12,634
Pickup (trk.)	6,612	7,570	14,182	169,023	175,762
Pickup (Can. trk.)	3,000	3,045	6,045	112,529	85,371
S10 (trk.)	5,029	2,433	7,462	114,097	159,529
S10 Blazer (trk.)	2,274	2,250	4,524	78,761	20,954
Sportsvan (trk.)	21	0	21	11,426	25,257
Sportsvan (Can. trk.)	320	315	635	44,624	32,147
Suburban (trk.)	1,622	1,325	2,947	32,866	19,312
Total Chevrolet	**37,514**	**28,302**	**65,816**	**1,244,801**	**1,282,968**
Achieva/Calais	272	217	489	71,722	34,616
Cutlass Ciera	3,070	2,222	5,292	79,378	51,906
Cutlass Ciera (Can.)	0	0	0	0	41,089
Cutlass Supreme	0	0	0	47,378	63,981
Toronado	0	0	0	3,280	2,990
Eighty Eight	1,323	1,185	2,508	43,666	47,263
Custom Cruiser wag.	0	0	0	1,927	5,693
Ninety Eight	80	402	482	18,022	50,807
Silhouette (trk.)	65	13	78	9,016	12,990
Bravada (trk.)	240	220	460	7,626	9,838
Total Oldsmobile	**5,050**	**4,259**	**9,309**	**282,015**	**321,173**
Sunbird	1,092	116	1,208	53,849	73,612
Grand Am	5,931	3,980	9,911	154,860	87,107
Firebird	728	732	1,460	16,027	11,347
Grand Prix	1,877	0	1,877	66,637	64,339
Pontiac 6000	0	0	0	0	19,603
Bonneville	1,006	977	1,983	59,051	39,709
Trans Sport (trk.)	251	52	303	24,986	15,961
Total Pontiac	**10,885**	**5,857**	**16,742**	**375,410**	**311,678**
Yukon-Jimmy (trk.)	217	3	220	4,372	1,481
Medium (trk.)	221	355	576	12,833	1,361
P-model (trk.)	64	74	138	2,057	1,751
Pickup (trk.)	2,461	2,876	5,337	65,092	77,440
Pickup (Can. trk.)	1,075	1,073	2,148	41,165	32,873
Syclone-Sonoma (trk.)	1,355	614	1,969	29,987	38,305
Typhoon-S15 Jimmy (trk.)	654	470	1,124	24,594	7,390
Safari (trk.)	1,005	1,059	2,064	37,235	24,046
Suburban (trk.)	951	562	1,513	20,070	15,936
Vandura (trk.)	51	0	51	5,854	11,446
Vandura (Can. trk.)	120	115	235	19,751	13,973
Total GMC	**8,174**	**7,201**	**15,375**	**263,010**	**226,082**
Total Saturn+	**5,610**	**5,610**	**11,220**	**125,611**	**52,297**
Total U.S. car	**43,553**	**30,797**	**74,450**	**1,518,102**	**1,422,698**
Total Can. car	**6,000**	**0**	**6,000**	**204,882**	**253,796**
Total U.S. truck	**27,791**	**24,643**	**52,434**	**803,810**	**717,291**
Total Can. truck	**4,515**	**4,548**	**9,063**	**218,069**	**164,364**
GENERAL MOTORS	**81,959**	**59,988**	**141,947**	**2,744,863**	**2,558,149**
Can. car	1,100	900	2,000	63,342	64,920
Can. trk.	750	500	1,250	39,156	29,123
CAMI*	**1,850**	**1,400**	**3,250**	**102,498**	**94,043**
DIAMOND-STAR*	**2,192**	**2,194**	**4,386**	**89,635**	**98,873**
Civic	1,350	2,296	3,646	60,846	57,030
Civic (Can.)	2,060	1,768	3,828	57,976	67,161
Accord	7,640	7,467	15,107	237,642	227,354
Total U.S. car	**8,990**	**9,763**	**18,753**	**296,488**	**284,384**
Total Can. car	**2,060**	**1,768**	**3,828**	**57,976**	**67,161**
HONDA	**11,050**	**11,531**	**22,581**	**366,464**	**351,545**
HYUNDAI Sonata (Can.)	**240**	**54**	**294**	**7,049**	**17,988**
AUTOALLIANCE*	**5,769**	**4,790**	**10,559**	**72,524**	**97,612**
U.S. trk.	1,550	1,071	2,621	40,571	44,710
Can. trk.	250	173	423	5,417	4,543
NAVISTAR	**1,800**	**1,244**	**3,044**	**45,988**	**49,253**
Altima	1,225	1,010	2,235	4,408	0
Sentra	2,310	2,103	4,413	76,366	83,319
Pickup (trk.)	2,840	2,762	5,602	81,935	82,166
NISSAN	**6,375**	**5,875**	**12,250**	**162,709**	**165,485**
Geo Prizm	0	1,011	1,011	52,493	62,312
Toyota Corolla	0	1,471	1,471	72,479	69,320
Toyota Pickup (trk.)	0	1,930	1,930	37,898	0
NUMMI	**0**	**4,412**	**4,412**	**162,870**	**131,632**
Legacy	1,184	1,107	2,291	36,601	35,997
Pickup (trk.)	562	623	1,185	14,775	0
Rodeo (trk.)	922	917	1,839	26,224	0
Total U.S. car	**1,184**	**1,107**	**2,291**	**36,601**	**35,997**
Total U.S. trk.	**1,484**	**1,540**	**3,024**	**40,999**	**32,098**
SUBARU-ISUZU	**2,668**	**2,647**	**5,315**	**77,600**	**68,095**
Camry	4,885	4,745	9,630	150,619	136,253
Corolla (Can.)	1,120	1,118	2,238	46,350	40,400
TOYOTA	**6,005**	**5,863**	**11,868**	**196,969**	**176,653**
VOLVO 740,940 (Can.)	**0**	**0**	**0**	**3,915**	**5,145**
AM GENERAL (trk.)	**300**	**300**	**600**	**11,400**	**12,850**
MISCELLANEOUS (trk.)**	**1,920**	**1,920**	**3,840**	**72,960**	**84,620**
Total U.S. car	**107,986**	**89,863**	**197,849**	**3,508,004**	**3,338,235**
Total Canada car	**20,808**	**13,225**	**34,033**	**648,485**	**673,506**
Total U.S.-Canada Car	**128,794**	**103,088**	**231,882**	**4,148,469**	**4,011,741**
Total U.S. truck	**77,578**	**75,188**	**152,766**	**2,499,554**	**2,037,327**
Total Canada truck	**17,116**	**16,037**	**33,153**	**619,041**	**581,976**
Total U.S.-Canada truck	**94,694**	**91,225**	**185,919**	**3,028,585**	**2,538,483**
TOTAL U.S.	**185,564**	**165,051**	**350,615**	**5,999,558**	**5,375,562**
TOTAL CANADA	**37,924**	**29,262**	**67,186**	**1,258,526**	**1,174,582**
TOTAL U.S.-CANADA CAR & TRUCK	**223,488**	**194,313**	**417,801**	**7,189,084**	**6,550,144**

+Estimate
*1991 figures reflect Grand Wagoneer production.
†CAMI includes Geo Metro and Suzuki Swift cars and Geo Tracker and Suzuki Sidekick trucks; Diamond-Star includes Eagle Summit and Talon, Mitsubishi Eclipse and Mirage and Plymouth Laser; Mazda includes MX-6, 626 and Ford Probe.
**Estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz.
Source: Automotive News Data Center.

'92 build surpasses 7 million

GWENDOLYN ZONGHETTI
Special Correspondent

The 7 millionth vehicle in the U.S. and Canada was produced last Tuesday. In 1991, the 7-million mark was not reached until a month later on Sept. 9.

U.S. automakers produced 107,986 vehicles, up 20.2 percent from the prior week and 8.8 percent over the year-ago week.

Year-to-date U.S. car production totaled 3,500,004, up 4.8 percent from the same point last year.

Canadian carmakers assembled 20,808 autos last week, a jump of 57.3 percent over the prior week following one week of downtime at the Oshawa No. 1 and No. 2 car plants. So far this year, Canadian automakers have assembled 640,485 cars, down 4.9 percent from the same point in 1991.

Truckmakers in the United States built 77,578 vehicles last week, up 3.2 percent from the prior week and 9.6 percent over the same week of 1991.

Since the start of 1992, U.S. truckmakers have assembled 2,409,554 units, an 18.3 percent increase over last year.

Truck production in Canada last week was scheduled at 17,116 units, a 6.7 increase over the prior week and 7.4 percent over the corresponding week last year.

Year-to-date Canadian truck production is 619,041, 23.5 above the total at the same point last year.

The estimated daily build rate of cars and trucks in the United States and Canada last week was 44,698, up 15.0 percent over the prior week and 6.1 percent over the year-ago week.

Last week's scheduled car and truck production was shared as follows:

General Motors, 38.6 percent; Ford Motor Co., 27.8 percent; Chrysler Corp., 15.1 percent; Honda of America Manufacturing Inc., 4.8 percent; Nissan Motor Manufacturing Corp. U.S.A., 3.4 percent; Auto Alliance, 3.1 percent; Toyota Motor Manufacturing (U.S.A.), 2.6 percent; Subaru-Isuzu Automotive Inc., 1.4 percent; Diamond-Star Motors Corp., 1.2 percent; miscellaneous, 1.0 percent; Navistar International Corp., 0.8 percent; AM General, 0.2 percent.

GM's Lordstown, Ohio, car and truck plant has implemented a new operational plan starting today. The plant will begin working a seven-day work week with three shifts per day.

GM's Janesville, Wis., truck plant worked one shift of overtime last Friday and Saturday.

The company's Bowling Green, Ky., car plant lost a half-day of production last Wednesday, and was closed Thursday and Friday due to parts shortages.

Ford slated daily overtime last week at the Atlanta car plant and Louisville, Ky., truck plant.

Chrysler Corp. has no scheduled overtime this week.